

# Herald Tribune

Published With The New York Times and The Washington Post

PARIS, SATURDAY-SUNDAY, AUGUST 6-7, 1983

ESTABLISHED 1887

WEATHER DATA APPEAR ON PAGE 12

No. 31,246

## Reagan Authorizes \$15 Million More In War Aid to Chad

By Ian Black  
Washington Post Service

WASHINGTON — President Ronald Reagan has authorized \$15 million more in emergency military aid to help Chad fight an intensifying war against Libyan-backed insurgents, according to the U.S. State Department.

The money, which comes from a special \$75-million fund set aside for emergencies under the Foreign Assistance Act, is in addition to \$10 million approved by Mr. Reagan July 18.

The new aid, which does not require congressional approval, reflects growing administration concern about Libyan military and logistical support for rebels fighting the government of President Hissène Habré. The rebels, supported by Colonel Moussa Ouedraogo, the Libyan leader, are led by former President Goukouni Oueddé.

[The United States "has a strong strategic interest in assuring that Chad remains a free and stable country," the department said.]



Jean-Baptiste Ouedraogo

## President Deposed in Upper Volta

Reuters

ABIDJAN, Ivory Coast — A paratrooper captain sympathetic to Libya has seized power in a coup in Upper Volta, deposing the moderate president, Major Jean-Baptiste Ouedraogo, diplomats said Friday. They said 13 persons died and 15 were wounded in fighting during the coup, which was the fourth since the West African nation gained independence from France in 1960.

Captain Thomas Sankara, 34, who was dismissed as prime minister in May, set up a national revolutionary council after the coup. Thursday night and appeared to be firmly in control Friday, diplomatic sources in Ouagadougou, Upper Volta's capital, said.

Reached by telephone from Abidjan, the diplomats said the 15 wounded included five members of a French family caught in cross fire as they were leaving a restaurant. Captain Sankara said in a radio broadcast last Thursday that he had overthrown Major Ouedraogo because he represented the interests of "enemies of the people and neocolonialism."

He told local reporters that Major Ouedraogo, 42, an army doctor, had been put under house arrest for his own security. "We plan to treat him with much humanitarianism," Captain Sankara was quoted as saying by Agence France-Presse.

Guns fired from automatic weapons were heard near the presidential palace Thursday night, but sources said the coup appeared to have been carried out with surprising ease.

Some prominent military officers and civilians loyal to Major Ouedraogo, including an adviser, Colonel Gabriel Some Yorian, managed to evade arrest, the diplomats said.

Major Ouedraogo himself seized power in November 1982 by deposing Colonel Seydi Zerebo. He vowed to rid the country of corruption. In June, Major Ouedraogo ordered the military back to barracks saying he would stay on to oversee a six-month process aimed at returning the country to civilian rule.

Captain Sankara was dismissed for allegedly trying to radicalize the military and move Upper Volta toward Libya politically.

Captain Sankara, who had close ties to the Libyan leader, Colonel Moammar Qadhafi, traveled to Libya after the November coup. He invited Colonel Qadhafi to visit Ouagadougou in late April but did not advise Major Ouedraogo until shortly before Colonel Qadhafi's plane landed, sources said.

Two weeks later, he was dismissed and arrested with other left-leaning officers. All were freed in June.

## Bomb Kills At Least 19 At Mosque In Lebanon

The Associated Press

BEIRUT — A bomb hidden in a car exploded outside a mosque in Tripoli as worshippers left Friday prayers, killing at least 19 persons and injuring 38, state-run Beirut radio said.

In Beirut, meanwhile, Robert C. McFarlane, the U.S. Middle East envoy, held talks with Lebanese officials, and later he said would go to Damascus on Saturday to discuss the withdrawal of foreign troops from Lebanon.

The explosion blew up a workshop where the Islamic Unity Party, a stronghold of the Islamic Unity Party, nearby buildings were heavily damaged, police said, and the blast blew a 10-foot-wide (3-meter-wide) hole in the street.

The Islamic Unity Party is involved in frequent street battles with pro-Syrian militias of the Arab Democratic Party. It also has denounced the Lebanese government's signing of the U.S.-mediated foreign troop withdrawal agreement with Israel. The Islamic Unity Party has the largest militia in Tripoli.

After the blast there was an outbreak of machine-gun and sniper fire in neighborhoods where pro- and anti-Syrian militias are based. Mr. McFarlane's announcement that he planned to visit Damascus came after a 75-minute session Friday with Prime Minister Shafiq al-Wazzan.

Mr. McFarlane said he planned to visit other Middle East capitals "to press on with determination the absolute commitment of the United States to succeed" in getting foreign armies out of Lebanon.

Mr. Wazzan said Mr. McFarlane brought from Israel "new ideas that constitute a sort of progress toward our demand" for a total withdrawal. "These ideas have not crystallized into a final shape yet," he said.

The U.S. envoy said he was "very encouraged" by the Lebanese government's attitude, but he did not elaborate.

His announcement coincided with intensified attacks by Syria's



A wounded child is rushed to a hospital while another victim clutches his bleeding arm after a bomb exploded Friday outside a mosque in the northern Lebanese city of Tripoli.

state-run press, which called Mr. McFarlane the "American high commissioner in Beirut" in charge of bringing the entire Middle East under U.S. domination.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

But Mr. Begin's government rejected a Lebanese request that the Israelis provide a timetable for ending the 14-month occupation by 30,000 Israeli troops. Instead, the Israelis proposed a meeting with Lebanese representatives to reassess President Amin Gemayel that Israel has no plans for a permanent military presence in southern Lebanon.

Mr. McFarlane's visit to Syria is regarded as the most important part of his Middle East shuttle because Syria's government has vowed to keep its army in Lebanon unless Israel withdraws its forces first.

As Mr. McFarlane began briefing Mr. Wazzan on his consultations Thursday with Israeli leaders about removing foreign forces from Lebanon, Christians and Druze shelled each other with rockets and artillery in the Chuf mountains six miles (10 kilometers) southeast of the capital, Lebanese radio stations said.

The clashes broke out Thursday night after Israeli occupation forces began moving equipment south in advance of their planned redeployment. The fighting tapered off before dawn, then intensified at midmorning, the broadcasts said.

Beirut newspapers said Mr. McFarlane would return to Jerusalem for more talks on the tensions in Lebanon's central mountains and withdrawals of foreign troops before going to Damascus. This would be his first round of talks with Syrian leaders since he replaced Philip C. Habib as President Ronald Reagan's special Middle East envoy.

Before flying to Beirut, Mr. McFarlane conferred with Prime Minister Menachem Begin of Israel and senior Israeli officials in Jerusalem and received new Israeli ideas aimed at getting foreign ar-

mies out of Lebanon. Mr. McFarlane said the ideas held "a promise of progress."

## U.S. Jobless Rate Makes Biggest Drop Since '59

By Jane Seaberry  
and Carolyn Adkinson  
Washington Post Service

WASHINGTON — The unemployment rate in the United States fell to 9.5 percent in July, the largest monthly decline since 1959 and the first major gain for black workers since the economic recovery began.

The decline in the seasonally adjusted rate from 10 percent in June and a high of 10.8 percent in December was caused largely by a decrease in unemployment for women, whose jobless rate declined 0.7 percent to 7.9 percent, according to the Labor Department.

President Reagan on Friday called the figures "new and dramatic evidence of the ongoing economic recovery, great news for all Americans," United Press International reported. In remarks to a group of Hispanic leaders at the White House, he noted that some parts of the nation still have very high unemployment and said, "We're going to keep on with what we've been doing until we can eliminate those pockets."

The rate for black workers dropped from 20.6 percent to 19.5 percent during July. However, a government economist said that the gap between white and black unemployment remained large.

The July unemployment rate was less than double figures for the first time in 10 months and returned to the level of June 1982. In addition, the number of people holding jobs increased by 500,000, with widespread job gains in manufacturing, construction and services, where most of the increases in jobs for women occurred.

"These figures speak far louder than words and there's nothing I can add to the good news they portray for the American worker," the presidential spokesman, Larry M. Speakes, said Friday.

"The surprisingly sharp drop in unemployment reflects the greater strength of this recovery due to the consumer," said Jerry Jasnowski,

chief economist for the National Association of Manufacturers.

The rate of decline in unemployment and the increase in jobs parallels the spurt in the expansion of the economy during the second quarter this year, economists said. Since April, administration economists have revised upward from 4.7 percent to 5.5 percent their forecast for growth in the inflation-adjusted gross national product during 1983.

GNP in the second quarter grew at an annual rate of 8.7 percent.

"The improvement in unemployment is far greater than almost all previous forecasts," said Martin Feldstein, chairman of the Council of Economic Advisors. "The sharp rise in the July employment level is a clear indication that economic activity in the third quarter has gotten off to a very strong start. The new figures appear to confirm that the rise in GNP this quarter can be in the same range as the second quarter's sharp growth spurt."

The number of persons unemployed fell more than six months ago by 365,000 during July, the first real decline in the long-term jobless group in two years, the Labor Department said. The median duration of unemployment declined two weeks to 9.9 weeks while the average was unchanged at 21.7 weeks.

While unemployment rates for adults declined, the rate for teenagers remained unchanged, at about 23 percent, the Labor Department said. The 1.1 percentage-point decline in the unemployment rate for black workers was the "first sign of a reduction in joblessness for this group in many months," Janet L. Norwood, commissioner of the Bureau of Labor Statistics, told the Joint Economic Committee Friday.

While the rate for blacks decreased, it was the first time that the proportion of the black population with jobs reached 50 percent in about 18 months, Miss Norwood said.

## Havana, Managua Said To Back Salvador Pact

By Marjorie Simons  
New York Times Service

MANAGUA — Cuba and Nicaragua are putting pressure on the Salvadoran guerrillas to seek a political settlement with the government, foreign diplomats said. Sources close to the guerrillas say, however, Cuban and Nicaraguan leaders in recent days have publicly reiterated their support for

the Salvadoran rebels, in private they have told them that urgent negotiations are needed to safeguard the survival of the Sandinist government and even the safety of Cuba, the sources said.

Elms of this have also come in interviews with Nicaraguan government officials. One senior Sandinist official, who first emphasized his government's solidarity with the Salvadoran guerrillas, added, "We must also practice survival politics."

"We are responsible for our revolution," he said, "and the Cubans are responsible, first of all, for their revolution."

The presence of American troops in Honduras and U.S. naval forces off Nicaragua's coasts have deep-

ened the Nicaraguan government's long-standing fear of direct U.S. military intervention.

At the same time, Nicaraguan government officials say, it has also brought the recognition that in the case of open military conflict with the United States, the Soviet Union would not be willing to commit more than "some military supplies" to Nicaragua, while Cuba could not afford to send troops and expect to keep its own territory outside the conflict.

"The Soviets are talking about helping us to build rivers and dams in the 21st century," said one official, "but we are in trouble now."

In the last few days, Sandinist officials and Salvadoran rebel leaders have reportedly held urgent meetings in Managua about diplomatic strategy and the extent of Nicaragua's future support for the guerrilla war.

Although the Sandinist government has repeatedly denied U.S. assertions that Nicaragua serves as an arms route to El Salvador, it has admitted providing the rebels housing, medical care and communications.

On July 19, the fourth anniversary of the Sandinist revolution, Nicaragua appeared to address the U.S. complaints of arms shipments when it announced its willingness

to accept U.S. aid for the reconstruction of the country.

The agenda for the scheduled

mission's director of research. He said there are 653 million registered voters, an increase of about 40 percent over the last election and a figure suspected by many to be padded.

Small, two-story buildings have sprung up all over the country during the last few days to serve as polling booths. Each building, which measures about 10 by 8 feet (3 by 2½ meters), has "what the electoral commission calls 'a secret compartment' for voting and must house three commission officials as well as two representatives from each of the six parties to monitor the balloting and the final count.

Sixty percent of the Nigerian electorate is illiterate so everyone will vote with a thumbprint. The voters' thumb will be stained with indelible ink in an attempt to prevent double voting. All adult men and women may vote.

The fear of violence, especially if there is an indecisive result and a run-off is necessary, has produced a small and temporary migration of wealthy Nigerian families. A

number of people are reported to have left the city of Ibadan in the southwest, the scene of election upheavals in 1963, and returned to their villages.

A police force of 90,000 must protect the 161,000 polling stations, and the government is not expected to ask the army for help. To do so, some observers say, would be an admission of failure and perhaps a temptation to some of the more politicized officers to stage a coup.

The campaign has included mud-slinging — even the tolerant and mild-mannered president called one of his opponents "a political liar" — and campaign trips around the country in executive jets, helicopters and limousine convoys.

The government-controlled radio and television have given air time to opponents, unthinkable in any other part of the continent, including South Africa.

There are party contests but no real issues. Personalities and ethnic loyalties dominate the cam-

## Stone Meeting With Rebels Is Expected

By Juan de Onis  
International Herald Tribune

SAN JOSE, Costa Rica — A meeting has been arranged "somewhere in Costa Rica" next week between Richard B. Stone, President Ronald Reagan's special envoy for Central America, and representatives of both the political and military arms of the Salvadoran opposition, according to informed Costa Rican sources.

The sources said President Luis Alberto Monge of Costa Rica had been asked by both sides to mediate in the talks, which are expected to last two days.

The Salvadoran participants would be Guillermo Ungo and Ruben Zamora of the Democratic Revolutionary Front, the opposition's moderate political arm; Manuel Lopez, military commander of the Farabundo Martí National Liberation Front; and Marin Aguilar of the Salvadoran Communist Party.

A meeting between the Salvadorans and Mr. Stone failed to materialize in Costa Rica last month, but Mr. Stone met subsequently with Mr. Zamora in Bogotá and the new meeting date was arranged through President Belisario Betancur of Colombia.

The agenda for the scheduled

talks is said to be unrestricted. The discussions are reported to be in preparation for direct talks between the Salvadoran government and the armed opposition.

According to Costa Rican sources, the Salvadoran rebel leaders are willing to discuss a ceasefire that would permit the opening of talks with the government of President Alvaro Magaña.

The exact timing and site of the meeting with Mr. Stone are not being announced.

The meeting reportedly has the support of Nicaragua and Cuba, which have been supporting the Salvadoran insurgency.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

Mr. Stone said he was in the country for a short time, but he would be back for a longer stay.

## Russia Shipped Copters To Managua, U.S. Says

United Press International

WASHINGTON — The White House made public Friday a partial manifest of a Soviet cargo ship carrying airplane spare parts and two helicopters to Nicaragua.

The presidential spokesman, Larry M. Speakes, distributed copies of the manifest document but declined to disclose how it was obtained.

The manifest revealed the freight and cargo of the Alexander Ulyanov, which departed in June and, according to news reports, has arrived at the Nicaraguan port of Corinto.

Mr. Speakes said the ship was laden with spare parts for an engine of a turbo-prop transport aircraft that can be used for civilian and military purposes. He said the ship also carried two helicopters used for combat and support missions that are capable of transporting 24 soldiers each. The helicopters fly up to 250 kilometers (155 miles) an hour and have a range of more than 200 kilometers.

Two pages of the manifest, written in English, Russian and Spanish, were given to reporters. Mr. Speakes said there are other pages to the document that were not made public.

At a news conference on July 26, President Ronald Reagan said, "We happen to know that right

now a Soviet freighter, the Port of Corinto in the vicinity of Nicaragua. He said "it is carrying a load of military equipment, helicopters, transport helicopters for military purposes and so forth. And no one shot at them."

Mr. Speakes said the manifest was made public because reporters had asked for "evidence" the Soviet ship was carrying military supplies to the Sandinist government. The ship also contained "general cargo," he said.

The Ulyanov was hailed by a U.S. Navy ship as it moved toward Corinto and the Soviet pilot said he had general cargo aboard.

U.S. to Challenge Ships  
Richard Halloran of The New York Times reported earlier from Washington:

Administration officials say that every Soviet ship that enters waters off Central America in the coming weeks will meet a U.S. Navy warship. The aim, they said, is to underscore to the Soviet Union the United States' military presence in the region.

The officials said Thursday that navy ships had been instructed to show themselves to Soviet vessels such as the destroyer Lynde McCormick did July 30, when it hailed

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Latef Jakande, the governor of the southwest Lagos state, and Abba Musu Kama, governor of the northern Kaduna state.

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Latef Jakande, the governor of the southwest Lagos state, and Abba Musu Kama, governor of the northern Kaduna state.

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Latef Jakande, the governor of the southwest Lagos state, and Abba Musu Kama, governor of the northern Kaduna state.

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Latef Jakande, the governor of the southwest Lagos state, and Abba Musu Kama, governor of the northern Kaduna state.

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Latef Jakande, the governor of the southwest Lagos state, and Abba Musu Kama, governor of the northern Kaduna state.

back to Nicaragua and is running for the Senate. Mentioned often as people to watch are Late



## Sri Lanka's Parliament Outlaws Tamil Demand For a Separate Nation

This article was subjected to government censorship.

The Associated Press

COLOMBO, Sri Lanka — Sri Lanka's Parliament approved Friday a constitutional amendment outlawing all demands for a separate state for the minority Tamil population, a government spokesman said. The vote was 150-0.

The 16 members of Parliament belonging to the Tamil United Liberation Front did not attend the session that considered the measure.

To remain in Parliament, the front members, all from the northern Tamil-dominated district of Jaffna, will be required to swear allegiance to a united Sri Lanka. The majority Sinhalese make up about 75 percent of the population.

If the front members remain absent from Parliament for the next three months, they will lose their seats, the government spokesman said.

Douglas Liyanage, said. The front leadership is expected to hold a meeting in Jaffna soon to decide its response to the amendment.

The amendment's passage came two weeks after a separatist group ambushed an army patrol in the northern district of Jaffna, killing 13 Sinhalese soldiers. Widespread violence began after the soldiers' bodies were brought to Colombo for burial.

Since then, almost 300 people, mostly Tamils living in the Colombo area, have died in the violence, according to the government. An estimated 52,000 Tamils remain in 16 refugee centers in and near the capital, Mr. Liyanage said.

The minister for trade and shipping, Lalith Athulathumudali, a close associate of President Junius R. Jayawardene, said the communal violence flared "because the ordinary Sinhalese came to believe that every Tamil who did not open his mouth to say otherwise" was supporting the terrorism.

Mr. Athulathumudali said civil servants had been slow to administer previously approved government reforms that would set up regional development councils and make Tamil a second national language, as demanded by liberation front politicians.

Both Colombo and Jaffna remained quiet Friday, Mr. Liyanage said. A nationwide curfew is to be relaxed at 6 P.M. Saturday, he said.

■ Rail Blockade Dropped

An Indian regional opposition party called off a rail blockade planned for Friday in the southern state of Tamil Nadu to protest against attacks on Tamils in Sri Lanka, Reuters reported from New Delhi, quoting the Press Trust of India.

The Indian government had earlier suspended Friday's rail services in the state for 14 hours after the party, Dravida Munnetra Kazhagam, announced its plan to stop trains from running for the day.

Ulster Extremists Get Prison Terms

BELFAST — A judge sentenced 22 Irish republican extremists to prison Friday after Northern Ireland's longest trial.

Thirty-five defendants were led in one by one to be sentenced for crimes ranging from murder and attempted murder to aiding the illegal Irish Republican Army. Thirteen of them received suspended sentences in the nine-month trial.



CONGRATULATIONS — President Sandro Pertini, right, greets members of Italy's new cabinet. From left, Defense Minister Giovanni Spadolini, Deputy Prime Minister Arnaldo Forlani and Prime Minister Bettino Craxi, who were sworn in Thursday. Friday they approved formation of a "cabinet within the cabinet."

## Bomb at Lebanese Mosque Kills 19 Robbers Kill 7 at Hotel in French City

(Continued from Page 1)

made it clear Friday that he had no intention of calling off his revolt despite a meeting of the PLO's broad-based central council that Mr. Arafat had convened in Tunis to counter the challenge to his leadership.

Palestinian leaders meeting in Tunis Friday called for unity and a reopening of the dialogue with Syria, Reuters reported.

A spokesman for the central council said several delegates had criticized aspects of the organization of Mr. Arafat's Fatah guerrilla group.

Dismissing whatever recommendations the central council might come up with, Colonel Abu Musa's stand was seen in Damascus by Western Arab analysts as a sign that Syria, his staunchest backer, was still determined to see Mr. Arafat's power curtailed despite repeated Arab and foreign mediation efforts to gain Syrian agreement to end the Palestinian mutiny in the Bekaa Valley, which remains under the control of 40,000 Syrian troops.

Although it is still uncertain whether Colonel Abu Musa's rebellion against Mr. Arafat in May was an independent action or a maneuver orchestrated by President Hafez al-Assad of Syria, analysts in Damascus say that the rebellion continues only because of Syria's logistic, political and military support.

Colonel Abu Musa's out-of-hand rejection of whatever conclusions the central council might agree to, which he announced during a talk to a new unit that rallied to his forces in the Bekaa Valley, indicated that he and his Syrian backers were no nearer to a compromise with Mr. Arafat than when the revolt began May 17. The mutiny began ostensibly as a protest against the PLO leader's appointment of two loyal, but discredited, military men to crucial Bekaa commands.

Whatever the validity of Colonel Abu Musa's initial complaint against the autocracy of Mr. Arafat's leadership, the corruption of some leaders around him and his supposed growing aloofness from the PLO's rank and file, the dispute has increasingly developed into a bitter personal feud — and battle for control of the Palestinian movement — between Mr. Arafat and President Assad.

In 1966, Mr. Arafat was jailed for almost two months as the result of a plot he claimed was privately orchestrated by Mr. Assad, who was then Syria's minister of defense. On June 24, Mr. Assad ordered Mr. Arafat expelled from Syria after Mr. Arafat accused Damascus of instigating Colonel Abu Musa's rebellion.

Mr. Arafat and Mr. Assad have dropped all pretense of their mutual dislike and distrust, exchanging public insults, unusual for Arab leaders.

The vitriol of their exchanges has left many foreign and Arab diplomats here wondering if there can be a rapprochement despite past instances in which they have papered over their differences in the name of Arab unity.

Protests Are Planned At Ramstein Air Show

FRANKFURT — More than 40 West German anti-nuclear groups are preparing to disrupt one of Europe's biggest air shows at the U.S. Air Force base at Ramstein on Sunday.

In an open letter to the base commander, six members of Saarland anti-nuclear organizations threatened to destroy a fighter with their bare hands during the show. Other protesters say they will be on the runway and prevent take-offs. Pershing-2 missiles are expected at the base this autumn if NATO goes ahead with its deployment plans.

PARIS — Robbers shot and killed seven persons Thursday night in a luxury hotel in the city of Avignon, in southern France, during an attempt to rob the hotel's safe-deposit boxes.

The killings occurred at the Sofitel Hotel, a few yards from Avignon's famous Palais des Papes.

Police officials said the robbers, who probably numbered three, had killed their victims in an attempt to eliminate all witnesses to the robbery attempt. One suspect was caught after a brief chase and identified by the police as Jean Roussel, 38, a convicted thief who had broken his first parole after serving nine years of a 12-year jail sentence. The others escaped.

"They killed in cold blood," Commissioner Yves Bertrand, the senior police officer investigating the crime, said Friday. "It was a proper execution."

The victims of what appears to be the largest mass murder in France for many years included the French consul at Saarbrücken in West Germany, Lucien André, and Geneviève Dupont, a French woman described as his companion, who were guests at the hotel; a receptionist; a porter; a barman; the hotel pianist and his fiancée.

The murders, which have come at the height of the tourist season, promise to add to the debate over the ruling Socialist's approach to law and order, which has been under attack since they abolished the death penalty for murder last year.

The rightist mayor of Avignon, Jean-Pierre Raux, immediately issued a statement regretting that "the life sentence, which replaces the death penalty, is seldom fully applied." The killings also provoked angry reactions from the French Hotel and Restaurant Owners Federation and from the police unions.

The association said the Avignon incident was the sixth attempt to rob the safe-deposit boxes at a French luxury hotel in the last two weeks.

■ 4 Robberies Around Paris

The number of men involved in each of the six recent robberies has ranged from one to six, United Press International reported, quoting the Paris police. Three of the robberies were in Paris, and one at a hotel just outside the city, they said.

In one of the crimes, valuables and cash worth more than 225,000 French francs (\$28,000) were stolen.

Chad to Get New U.S. Aid

(Continued from Page 1)

diplomatic sources said Friday, according to a United Press International report from Cairo.

All military leave has been canceled, and students and teachers have been ordered to report to military barracks, the sources said.

The government news agency JANA said that Libya "and its people are exposed to the threat of an imminent American aggression from the north and south, launched from the north by the U.S. Sixth Fleet vessels facing the Libyan shores in the Mediterranean and from the south through the military equipment and experts, arms and mercenaries being hurled by America and France into Chad."

In Nijmegen, Western diplomatic sources reported Friday that Chadian government troops had retreated from two eastern towns, Oum-Chalouba and Kalait, and were struggling to repel a major offensive in the north.

A column of 200 Soviet-made vehicles was only three miles (five kilometers) away from Faya-Largeau, where Mr. Habre's troops were pinned down by six days of constant Libyan air raids, the sources said.

The government denied rebel claims Thursday that they have retaken control of Oum-Chalouba and Kalait, but conceded that Chadian Army had been forced to retreat.

By J. Michael Kennedy  
Los Angeles Times Service

NAOQURA, Lebanon — The 5,900 United Nations troops in southern Lebanon, who oversaw a shaky peace in the years before the 1982 Israeli invasion, are men without a mission these days.

The peace force, known as the UN Truce Force in Lebanon, or UNIFIL, is staffed by soldiers of 10 countries who do little more than man the checkpoints in what was once a buffer zone between the Israeli and guerrillas of the Palestine Liberation Organization.

On paper, the UN soldiers still have an official mission, to keep the peace in the area. Their mandate was extended for three months on July 18 by the Security Council.

Today, UNIFIL's problems are mainly small Israeli-backed militias, armed to provide security and intelligence for their villages.

On July 12, the UN secretary-general, Javier Pérez Cuéllar, issued a report on the UN force in which he said that the major problem was the increased activity by these local groups.

Two days later, the Jerusalem Post, quoting the Israeli military publication Barak, said the Israeli Defense Forces intended to double the size of the militias. The article quoted Barak as saying that Israel hopes to strengthen the army's ties with Shiite Muslim forces in southern Lebanon "as a response to the strengthening of

anti-Israeli elements among the local population."

According to an Israeli Foreign Ministry statement released in Beirut, "UNIFIL has no significant or important role in light of the situation as of June 1983."

It said that Israel has always said that the UN force "was not stringent enough in trying to stop terrorist activities in the south."

A UN spokesman, Timor Goksel, said that the problem was not with the militias alone but in many cases with Israeli soldiers, presumably intelligence officers, who traveled through the UN zone and refused to comply with the rules at checkpoints.

The UN force prepares a weekly calendar of incidents that provides a record of what its soldiers face. Entries in the current issue include the following:

July 12 — "Local militiamen armed by Israeli forces tried to force his way with his car at an Israeli checkpoint at Beasht. When he did not respond to routine warnings, one round was fired into his tires. A short time later, other local militiamen armed by Israeli forces deployed in combat positions, including rocket-propelled grenades, against two Irish positions. These positions were reinforced by armored vehicles." The situation was later defused through negotiation.

July 15 — "The Irish were involved in another incident with men who, according to UN spokes-

men, had been armed by the Israelis."

July 17 — "A civilian vehicle 'refused to wait at a Dutch checkpoint near Yater and the Dutch troops were threatened by a civilian armed with a Kalashnikov rifle. The civilian turned out to be an Israeli captain."

Mr. Goksel said that it was the Fijians who may best exemplify the problems of the peace force. On May 29, he said, a 19-year-old Fijian soldier was killed in a gunfight with a man identified as Abdullah Suweidan, who worked for the Palestinians before the Israeli invasion and was then employed by Israel.

As Mr. Goksel and the adjutant of the Fijians, Arthur Sanga Sanga, recounted the incident, Mr. Suweidan carried a gun issued by the Israelis and his car was equipped with an Israeli radio. On numerous occasions, Mr. Goksel said, Mr. Suweidan had refused to allow his car to be searched at UN checkpoints and left the area, only to return with an Israeli escort for safe passage.

According to Mr. Goksel, on May 29, Mr. Suweidan again refused to be searched and was escorted to his home by Israelis.

A Fijian duty officer was called to the scene and left after seeing that the problem had been resolved. But to return to his headquarters, the duty officer had to pass Mr. Suweidan's house. According to the UN account, shots

were fired from the house at the Fijian's car; a soldier who came to the officer's assistance was killed.

Mr. Goksel said that although the Fijians have no authority to arrest or prosecute, they surrounded the house. He said they did not open fire because there were women and children inside. Meanwhile, the Israelis arrived and got Mr. Suweidan out of the house. He was taken to Tyre, where he reportedly was turned over to the Lebanese authorities.

But the next day, Mr. Suweidan was back. After negotiations with the Fijians, he was allowed to return to his home.

The version given by Israeli Army sources roughly coincides with UNIFIL's. The only major difference is that the Israelis say their responsibility ended when Mr. Suweidan was turned over to the Lebanese authorities.

The Fijian adjutant said that Mr. Suweidan now submits to having his car searched and that because of the shooting he is no longer so close to the Israelis. He said he feared for the man's life because the dead soldier had many friends, adding:

"As my commanding officer said, he cannot guarantee the safety of the man. The Fijian said, 'Many of the dead soldier's friends are still here. The feelings of his friends are hidden within the men. The soldier's father was very well known to me. We come from the same island.'"

## WORLD BRIEFS

### Seoul Says It Sank North's Spy Boat

SEOUL (Reuters) — South Korean aircraft and patrol boats on Friday sank what the Defense Ministry described as an armed spy boat off the country's eastern coast. It said at least four North Korean commandos were killed.

General Lee Ki Baek, chairman of the Joint Chiefs of Staff, said four bodies, three in diving suits, were found. The incident took place about three miles (five kilometers) off the southeastern town of Wolsong, site of a nuclear power plant, a ministry spokesman said.

The general said a South Korean Coast Guard vessel was damaged in an exchange of fire with the boat but that the South had no casualties. Nine North Koreans were killed in June 1980 when an armed northern vessel was sunk off southwestern South Korea.

### Gear Arrives in Egypt for War Games

CAIRO (UPI) — A military transport ship carrying heavy military equipment docked at Alexandria on Friday as U.S. troops began entering Egypt for the joint U.S.-Egyptian "Bright Star 83" military maneuvers later this month, military sources said.

The 25,000-ton U.S.S. William Callaghan began unloading 44 M-60 tanks and armored personnel carriers, about 20 troop transports, observation and attack helicopters, and military vans and containers for flatbed trucks, the sources said.

A total of 6,900 tons (6,210 metric tons) of equipment was expected to be taken ashore. Several hundred U.S. troops have arrived in Egypt. About 5,500 U.S. Army and Air Force personnel are expected to participate in the exercises with Egyptian, Sudanese, Somali and Omani forces.

### 2,357 Polish Activists Emigrated

WARSAW (Reuters) — A total of 2,357 opposition activists, mainly members of the banned trade union, Solidarity, emigrated from Poland with their families during the martial-law period, a government official said in an interview Friday.

General Rudolf Rudin, head of the Interior Ministry's passport office, told the weekly newspaper Polityka that nearly 4,300 internists and other activists had applied to leave and the authorities had issued 5,727 passports.

The bulk of those seeking passports were Solidarity members, General Rudin said. Only 12 emigrants had returned. He added that many people were unable to leave because Western nations had not given them visas.

### Zimbabwe Sets New Press Restrictions

HARARE, Zimbabwe (WP) — The Zimbabwe government imposed stringent restrictions Friday on press coverage of government security. The measure follows by five days the government ban on entry by foreign correspondents based in South Africa.

The ban Friday forbids publication or transmission of any information on acts of terrorism or sabotage or military efforts to suppress terrorism in areas designated by the minister of home affairs. It is expected to curtail coverage of military activities in the southwestern province of Matabeleland. Earlier this year, the Western press widely carried reports that atrocities were committed there by the Zimbabwean Army.

Matabeleland is the home province of Joshua Nkomo, the opposition leader who fled earlier this year and is living in London. British television reported last month that dozens of Mr. Nkomo's Ndebele supporters were killed by the army in June.

### Belgian Leader Has Heart Surgery

BRUSSELS (Reuters) — Belgium's prime minister, Wilfried Martens, 47, had preventive surgery for a heart ailment Friday and was recovering satisfactorily, a spokesman said.

He said Mr. Martens would probably stay in the Saint Raphael University Hospital at Louvain, west of Brussels, for about 10 days and then go on his usual summer holiday in the south of France.

The spokesman said the operation was to correct an aortic valve disorder that first occurred in Mr. Martens's youth, when he had had rheumatic fever. He said that it was the first time Mr. Martens had had heart surgery and that the aim was to prevent worse cardiac problems later.

The operation coincided with the start of the annual summer break for Belgian ministers, who concluded the 1984 budget agreement during the week.

### Opponents Urge Pinochet's Removal

SANTIAGO, Chile (UPI) — Rodolfo Seguel, Chile's foremost labor leader, demanded Friday that President Augusto Pinochet, who seized power in a 1973 coup, step down and restore democratic rule as a condition for labor peace.

In what was considered a major step toward liberalizing his rule, General Pinochet announced Thursday that legislation would be drawn up to legalize political parties and restore Congress before 1989, the current date set by the country's constitution for a return to civilian rule.

But Jorge Lavandera, head of a multiparty opposition front, said monthly mass protests calling for an end to military rule would continue. "Democracy cannot wait," the former Christian Democratic senator said.

For the Record

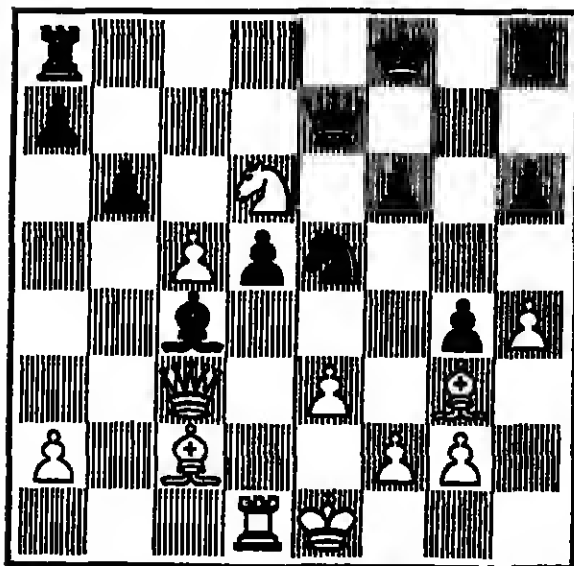
MIAMI (AP) — A Cuban refugee was taken into custody Friday in Havana after commandeering a jet on a flight from San Juan, Puerto Rico to Miami, officials and witnesses said. They said the man had brandished a dynamite and sprayed a flammable liquid. It was the ninth hijacking to Cuba this year.

WASHINGTON (AP) — President Ronald Reagan signed legislation Friday barring the withholding of taxes from interest and dividend income. He had once called the measure a "victory for tax cheats," but faced a near-certain congressional override if he vetoed the bill.



Wilfried Martens

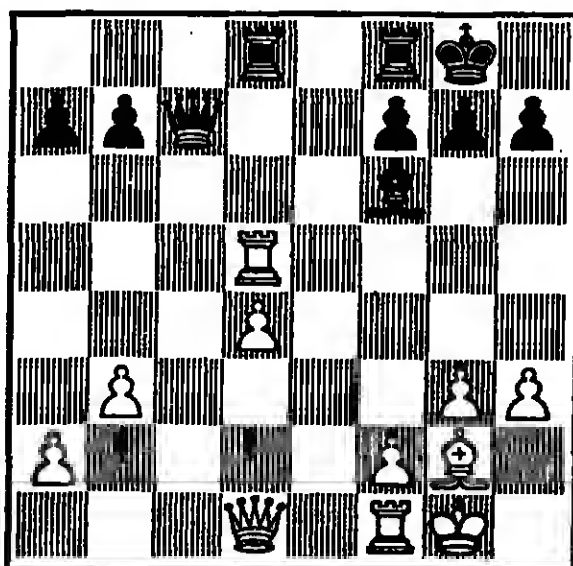
## Our Gambit Is A Two-for-One Offer.



If you purchased this Trib at a newsstand, you're already enjoying a rare bargain—the whole world in just a few tightly written, fact-packed pages. You're reading a product created by scores of journalists working day and night from dozens of distant datelines to bring you a compact compilation which can be purchased for the price of a cup of coffee.

But why not double the bargain? Enjoy twice as many newspapers with double the headlines, business trends, candid commentary, high fashion and comic strip hi-jinks, exciting sports and chess problems, too.

By subscribing to the International Herald Tribune for six months or a year, you save almost half the newsstand price on



each copy. Up to 42% off, to be precise. Twice as many Tribs for your money.

Join the global who's who of thought-leader readers who turn to each morning's Trib for the latest in objectively reported world news, briskly written opinion, the day's closing business tabulations, buy-and-sell reports from the international market-place, at-the-stadium recaps of just-completed matches, what's happening in the world of culture—and all in an international perspective.

Double the value of the Trib by halving its price. Subscribe now so you don't miss a single issue. Major credit cards accepted. Just fill out the coupon below and mail. For maximum savings, subscribe for a full year. This cut-price subscription offer is for new subscribers only.

## Herald Tribune

Trib Subscription Manager, International Herald Tribune  
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.  
Téléphone: 747.12.65. Telex: 612832.

Please circle below the time period and reduced subscription price selected.

(Rates valid through August 31, 1983)

COUNTRY	1 year	6 months	3 months
Austria.....A.Sh.	3,050	1,525	840
Belgium.....B.F.	6,600	3,300	1,815
Denmark.....D.Kr.	1,400	700	400
Finland.....F.M.	1,080	540	300
France.....F.F.	900	450	250
Germany.....D.M.	420	210	110
Great Britain.....£	72	36	20
Greece.....Dr.	10,800	5,400	2,950
Ireland.....£Ir.	90	45	25
Italy.....Lira	195,000	97,500	53,700
Luxembourg.....L.Fr.	6,600	3,300	1,815
Netherlands.....Fl.	430	215	124
Norway.....N.Kr.	1,160	580	320
Portugal.....Esc.	10,000	5,000	2,750
Spain.....Ptas.	16,360	8,180	4,480
Sweden.....S.Kr.	1,160	580	320
Switzerland.....S.Fr.	336	178	98
Rest of Europe, North Africa, France			
French Africa, U.S.A., French			
Polynesia, Middle East.....\$	280	140	77
Rest of Africa, Canada, Latin			
America, Gulf States, Asia.....\$	390	195	107

## Your Move.

☐ Yes, I would like to accept your bargain offer. Please send me the International Herald Tribune for the time period and at the reduced price circled on this coupon.

☐ My payment is enclosed. (Check/money order to the I.H.T.)

Please charge my ☐ ☐ ☐

Card account number  6-8-83

Card expiry date  Signature

My name

Address

City

Job/Profession  Nationality

Company activity



## U.S., Russia Differ On START Gains

Compiled by Our Staff From Dispatches

WASHINGTON — Edward L. Rowley, President Ronald Reagan's chief arms-reduction negotiator, said Friday that both the United States and the Soviet Union had shown flexibility that produced "forward movement" in the just-completed fourth round of Strategic Arms Reduction Talks in Geneva.

But in Moscow on Friday, President Yuri V. Andropov told the Portuguese Communist Party leader, Alvaro Cunhal, that he considered that the disarmament talks had come practically to a standstill, Tass reported.

In Washington, Mr. Rowley said after meeting with Mr. Reagan that the latest round had been the "most significant to date" and that the U.S. side had exercised the increased flexibility that the president had said in June would henceforth characterize the U.S. position.

"I can report to you that I told the president that the Soviets also showed some flexibility and forward movement," Mr. Rowley told reporters.

"The president appeared pleased that his flexible approach is being carried out in serious and businesslike negotiations."

He declined to elaborate on where each side had been flexible, but said that the central issues of the discussions had not been affected.

"Reducing the warheads on each

side by about one-third to 5,000 remains the central element of our position," Mr. Rowley said. "We are also determined to reduce, over time, the 3-to-1 Soviet advantage in nuclear destructive capability and potential."

"Our goals are twofold: deep reductions and a more stable strategic relationship."

But Mr. Rowley said the Kremlin's top priority now is talks on the deployment of 572 Pershing-2 and cruise intermediate-range missiles in Europe, scheduled to start in December, and he does not expect to make any real progress on strategic weapons "until we see how those talks go."

After talks were recessed Tuesday for two months, the Soviet negotiator, Viktor P. Karpov, marking time in the negotiations, Mr. Rowley replied that the United States was taking the talks "very seriously."

According to Tass, Mr. Andropov told Mr. Cunhal that "the Geneva talks are practically at a standstill and the peoples of Europe find themselves confronted with a very dangerous situation threatening their peaceful life and their future."

Willy Brandt, chairman of the West German Social Democratic Party, said Friday that his party would "without hesitation say 'no' to placement of nuclear missiles in Western Europe if a party congress were held today."



Edward L. Rowley

Speaking in Stockholm, he said: "We shall arrange a party congress to take a position on the outcome of the Geneva negotiations."

"Our stand is a zero-solution that is not identical with the Americans," he said, "but requires that the Soviet SS-20 missiles be reduced to a level that would make it unnecessary for NATO to deploy new missiles in Western Europe."

Mr. Brandt visited Stockholm in his capacity as chairman of the United Nations Independent Commission on International Development Issues, which is known as the Brandt Commission.

He met with the Swedish foreign minister, Olof Palme, who heads the UN Commission on Disarmament.

The two men announced preliminary arrangements for a joint meeting of the two UN commissions in 1984 under the theme "Aid for Peace."

## Combating a Corporate Nightmare

As Fake Products Flood Market, Industries Seek Help

By Karen Tumulty

Los Angeles Times Service

WASHINGTON — Two-thirds of Kenya's 1979 coffee crop perished after treatment with a worthless powder packaged to look like a popular fungicide. Substandard counterfeit parts may have been installed in more than 600 helicopters used by British, West German, French and other European military fleets.

More than 357 heart pumps were recalled from U.S. hospitals in 1978 because of fears that some of the \$20,000 machines contained dangerous bogus components, worth about \$8 apiece.

Cases such as these, cited by industry representatives at a House subcommittee hearing Tuesday, illustrate the increased dangers posed by counterfeit products as they flood the market.

"One of the growth industries of the world," according to Representative John D. Dingell, Democrat of Michigan, chairman of the House Energy and Commerce Subcommittee on Oversight and Investigations.

Once largely confined to production of luggage, clothing, tape recordings, jewelry and sporting goods, the practice of commercial counterfeiting has reached a point where it jeopardizes "the health and safety of American consumers, not just their pocketbooks," said James

L. Bikoff, president of the International Anti-Counterfeiting Coalition, which represents more than 140 corporations, law firms and associations.

Mr. Bikoff was among a string of witnesses — including a private investigator who wore a hood to conceal his appearance — who urged Mr. Dingell's subcommittee to press for legislation that would crack down on producers and distributors of counterfeit merchandise.

To bolster their case, the witnesses supplied samples of familiar products and their counterfeit counterparts: Cross pens, Visa credit cards, Carrera "Porsche design" sunglasses, Levi's jeans, Motorola oil filters, Vaseline petroleum jelly and dozens of others.

Other commonly counterfeited products are computers and semiconductors, the witnesses said.

"The market for counterfeit goods is growing rapidly," said Mr. Dingell. "It is very active, with manufacturers offering to supply thousands on a monthly basis," said Richard Camps, vice president of Barrick Security Group, a San Mateo, California, company involved in undercover "sting" operations to foil computer piracy.

"We have found that counterfeiters bid parts companies and accessories companies, large companies and small alike," said

Linda J. Hoffman of the Automotive Parts and Accessories Association. "The only common denominator seems to be high-quality products that enjoy good reputations."

The witnesses complained that federal law now imposes only relatively mild civil sanctions on most commercial counterfeiters, although harsher penalties are included in the specific statutes that prohibit counterfeiting of tapes and records and the misbranding of food, medicine and drugs.

The U.S. government, with support from many industrialized nations, also is negotiating under the auspices of the General Agreement on Tariffs and Trade for an international agreement that would allow trademark owners to enlist public agencies in other countries where suspected counterfeiting is taking place.

However, Mr. Bikoff said, such an agreement is opposed by many nonindustrialized countries, led by Brazil and India.

Bills now before the House and Senate would impose stiff criminal penalties on manufacturers and marketers who produce and sell products with counterfeit trademarks. Convictions could bring fines as high as \$250,000 for individuals and \$1 million for corporations, as well as prison sentences of up to five years.

## Pledge Given On Pershing Success Rate

Washington Post Service

WASHINGTON — The Pershing-2 nuclear missile will have a reliability rate of 80 percent to 90 percent by December, when it is scheduled to be deployed in West Germany, according to the undersecretary of the army, James R. Ambrose.

Mr. Ambrose acknowledged Thursday that the Pershing-2 had failed a number of times in flight tests but said its record was "better than the best of the worst" for missiles of similar size.

"We will not deploy this kind of weapon," he said, "unless its probability of success when fired under combat conditions is at least 80 percent."

The Pershing is scheduled to be deployed in West Germany, where it will pose a nuclear threat to Eastern European nations, including the Soviet Union.

Mr. Ambrose said the "terminal guidance system in the Pershing makes it a highly accurate weapon that could reach its targets in a war within 10 minutes."

The Soviet Union has protested the planned deployment, saying the Pershing's short flight time makes it a first-strike weapon suitable for surprise attack. President Ronald Reagan has rejected that argument, saying it is the Soviet Union, with its SS-20 and other medium-range missiles, that poses the bigger threat to peace in Europe.

Mr. Ambrose said that the Patriot anti-aircraft rocket slated to be deployed in Western Europe is also having problems. He said the radar that would guide that missile to enemy planes flying at high altitude has failed time after time.

As a result, he said, the Patriot contractors will have to achieve a series of "milestones" in the weapon. The army is to delay its planned deployment by five months, to September 1984.

The Patriot "is quite essential" to the defense of Europe, Mr. Ambrose said, especially with the withdrawal of the Nike Hercules anti-aircraft missiles.

**West Germans Are Urged To Bar Taxes for Arms**

Reuters

BONN — The Greens party urged West Germans on Friday to withhold taxes that finance the military budget.

A spokeswoman, Christa Nickels, urged taxpayers to divert up to a third of their taxes as a protest against what she called the increasing process of armament in West Germany.

**Tokyo Doctor Says Atomic Bomb 'Saved Japan' From Worse Fate**

Washington Post Service

WASHINGTON — The United States' use of the atomic bomb toward the end of World War II "might be described as having saved Japan," Dr. Taro Takemi, the immediate past president of the Japan Medical Association, said in an article published Friday in the Journal of the American Medical Association.

Dr. Takemi, now a physician in Tokyo, was studying nuclear physics in Tokyo on Aug. 6, 1945, when the first atomic bomb was dropped on Hiroshima, killing at least 71,000 people. He wrote that "it was most regrettable that the bomb was used for war," and he doubted the need for the second atomic bomb, which was dropped on Nagasaki three days later, killing at least 39,000.

But by the end of the war, he wrote, "The military had driven Japan to a stage that if it could not win, it would not surrender. [Japan] surely would have lost the war, and many people would have starved if the atom bomb had not been dropped. When one considers the possibility that the Japanese military would have sacrificed the entire nation if it were not for the atomic bomb attack, then this bomb might be described as having saved Japan."

Edwin O. Reischauer, U.S. ambassador to Japan from 1961 to 1966 and one of the leading authorities in the United States on Japan, said Thursday he doubted that most Japanese are ready to agree with Dr. Takemi. He said he thought dropping the bomb "was a mistake at the time, but I have changed my mind" for the same reason.

Had it not been for the bomb, "The Japanese people would have had to go on fighting," Mr. Reischauer said, "and there would have been an absolute massacre with attendant starvation. I feel certain that many millions of people would have died."

## U.S. Conferees Agree on Military Spending Bill

By Paul Houston and Ellen Hume

Los Angeles Times Service

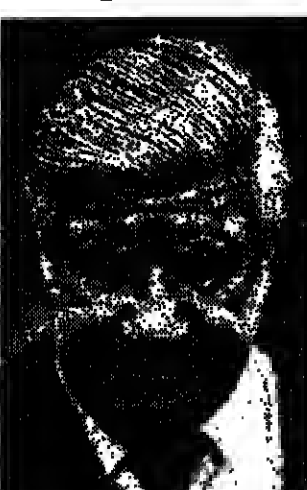
WASHINGTON — Congress has finished work on a military spending bill, and the House has passed a measure that could force President Ronald Reagan to retain three Civil Rights Commission members he is trying to replace.

Senate and House negotiators reached agreement Thursday night in a private session on a compromise military authorization bill that calls for production of the first 21 MX missiles, for buying 10 B-1 bombers and for resuming production of nerve gas weapons after a 14-year moratorium. An expected House floor fight, aimed at deleting the nerve gas funding from the compromise military spending bill, will not take place until next month. Both the House and the Senate must approve the compromise.

The Senate version of the spending bill totaled \$268.8 billion and included military construction and Department of Energy military projects that had been approved in separate legislation by the House.

Meanwhile, the House earlier Thursday approved legislation by voice vote to renew the Civil Rights Commission's charter, which expires Sept. 30. A Democratic-sponsored amendment specifies that the president can remove a commissioner only for neglect of duty or malfeasance.

Republicans protested that Senate Democrats could block confirmation of three Reagan nominees to the commission while the bill



Thomas P. O'Neill Jr.

went through the Senate and became law. Mr. Reagan then would have difficulty finding sufficient cause to remove three current commissioners whom he finds objectionable because of policy differences.

The actions, which came just before Congress left for a five-week summer recess, ended one of the most productive first seven months of any congressional session. Major achievements included a rescue package for Social Security, a \$4.6-billion jobs bill, a budget plan to reduce the federal deficit and repeal of tax withholding on interest and dividends.

Also, the Democratic-run House passed a resolution on the nuclear freeze, a cutoff of secret U.S. aid to insurgents fighting the Nicaraguan government and several measures for recession relief, all of which await Senate action. The Republican-run Senate approved a sweeping revision of immigration laws, a subject pending in the House.

"It's been a good session," said the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee. "We've gotten an awful lot of controversial issues out of the way in a relatively short period of time."

House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, said the House's biggest accomplishment was to "give the president some sensitivity" on the



Howard H. Baker

need to preserve social programs and restrain defense increases. "The House has provided the administration with a policy of fairness at home and peace abroad," Mr. O'Neill said.

The legislators will face much unfinished business, including a possible \$73-billion tax increase, when they reconvene Sept. 12. And as next year's presidential and congressional elections approach, legislative action is expected to be characterized more and more by partisan maneuvers.

Representative Don Edwards, a California Democrat, offered the amendment that would restrict the president's power to replace Civil Rights Commission members. He charged that Mr. Reagan's attempt to replace three commissioners had "raised serious bipartisan concern over the ability of the commission to work."

By voice vote, the House rejected a move by Representative F. James Sensenbrenner Jr., a Wisconsin Republican, to allow the president to fire commissioners merely for inefficiency.

Mr. Edwards' amendment also provided a five-year extension for the commission instead of the 20 years sought by Mr. Reagan. "We wanted to maintain tight oversight, so we can take another look in five years to see how they're doing," Mr. Edwards said.

But Mr. Sensenbrenner charged that Democrats actually wanted to provide "a five-year trigger" to make the commission a political issue right before the 1988 presidential election.

## Soviet Freighter Off Managua Had Copters, U.S. Says

(Continued from Page 1)

and then trailed the Soviet freighter Alexander Ulyanov off the Pacific coast of Nicaragua.

In some cases, the officials said, the U.S. ships will hail Soviet vessels to make inquiries; in others, they will only show themselves to the Soviet crews. The decision whether to make inquiries, it was said, would be up to the captain.

Secretary of State George P. Shultz, at his appearance Thursday before the Senate Foreign Relations Committee, said that U.S. military forces exercising in Central America and the Caribbean were not seeking a confrontation and would withdraw if attacked.

"Our forces will defend themselves but they will withdraw," he said. "We have no intent to engage anyone actively."

The U.S. officials said the freighter was the ninth Soviet- bloc ship to call at a Nicaraguan port this year. They said the Soviet Union and its allies had 11 more ships laden with arms and other military equipment on the high seas headed for Nicaragua. Last year it sent five.

Naval officers said the U.S. destroyer on Saturday asked the Soviet ship to identify itself, its cargo and destination and trailed the freighter at a distance of 2,000 yards for more than two hours. The officers said the destroyer encountered the Ulyanov about 55 miles off Corinto.

The Ulyanov had to anchor outside the port until Thursday, according to a report from Nicaragua, because the docks were crowded with other ships. The report quoted port authorities as saying it would take two to three days to unload the 12,500-ton vessel.

Meanwhile, the Defense Department's chief spokesman, Henry E. Catto Jr., said U.S. Navy captains operating in waters off Central America would make the decisions on when to query Soviet ships about their destinations and cargo.

Mr. Catto, who is an assistant secretary of defense, said it was the captain of the Lynde McCormick who had decided on Saturday to hail the Soviet freighter.

Mr. Catto disclosed that the aircraft carrier Coral Sea, at the center of a battle group, was heading west out of the Mediterranean for the Caribbean. The battle group is similar to the one around the carrier Ranger; the destroyer Lynde McCormick is a part of that battle group.

The Soviet Union and the United States have an agreement covering incidents at sea that prescribes actions for the warships of each nation in the vicinity of warships of the other. That includes not training guns on each other, not engaging in harassing or dangerous maneuvers and not flying aircraft over each other's vessels.

**4 Students in U.S. Lose Suit on Tests**

The Associated Press

NEW BRUNSWICK, New Jersey — A Superior Court judge has ruled that the company that runs the Scholastic Aptitude Test had the right to void the scores of four students accused of cheating on the college entrance examination.

The lawyer for the four Millburn High School graduates who filed suit against Educational Testing Service, of Princeton, New Jersey, said they will appeal Thursday's ruling by Judge Richard S. Cohen and hope to keep the scores of the 1982 tests on their records.

The testing company told the students in March that their right and wrong answers were so close that it suggested copying and that their scores would be canceled. The students, who said they plan to begin college this fall, took the test in the office of their tennis coach.

**UNIVERSITY DEGREES ARE AVAILABLE WITHOUT CLASSES!**

Complete university degree counselling services for accredited and legally recognised U.S. and U.K. degrees. Schools recommended for your personal needs.

Write for information: WORLDWIDE EDUCATIONAL COUNSELLING SERVICE 378 New Cavendish Street, London W1M 8JR

## Cuba, Nicaragua Reported Pressing for Salvador Pact

(Continued from Page 1)

to negotiate all "arms supplies by any country" to El Salvador.

Sources close to the guerrillas declined to discuss the details of the current meetings between the rebels and Nicaraguan leaders. But they added that the Salvadoran rebel leaders recognized that current U.S. pressures on Nicaragua were "extremely difficult" and that Nicaragua needed to "make some future changes in its strategy."

Although the guerrilla leadership was reportedly given prior notification of the July 19 announcement, some of the Salvadorans seemed concerned.

"This is a heavy meal," said one rebel leader. "It will take a while to digest."

Cuban and Nicaraguan suggestions that the Salvadoran rebels negotiate and take U.S. pressure off Nicaragua are not new, according to guerrilla leaders.

These leaders said that at first, Fidel Castro, the Cuban leader, recommended that the guerrilla movement support the coup by reform-minded military officers in El Salvador in October 1979.

In February 1981, following the failure of the Salvadoran left's so-called final offensive the previous month, the Sandinistas became alarmed by the suspension of U.S. economic aid in Nicaragua and, anticipating tougher measures from Washington, tried to promote political negotiations.

Last year, Mr. Castro again advised the Salvadorans to seek a pact because the situation for Nicaragua would become unsustainable, according to sources close to the guerrilla leadership.

But diplomats in the region caution against expecting early settlement of the differences between Washington and Managua and the Salvadoran left.

## New Testimony Links Salvadoran Guardsman To Americans' Deaths

By Edward Cody

Washington Post Service

SAN SALVADOR — A former National Guard sergeant has testified before Salvadoran judicial authorities that one of his men confessed soon after the crime that he was "the problem" in the December 1980 murder of four American churchwomen.

The testimony could help advance a case that has become one of the major targets of criticism by members of Congress in the United States that the Salvadoran government fails to live up to human rights and judicial standards that are conditions for continued military aid.

The testimony could help advance a case that has become one of the major targets of criticism by members of Congress in the United States that the Salvadoran government fails to live up to human rights and judicial standards that are conditions for continued military aid.

Dagoberto Martinez Martinez, now retired and living in Los Angeles, gave the testimony implicating Corporal Luis A. Colindres Alvarado in a deposition Saturday at El Salvador's international airport, according to a court transcript.

Although Mr. Martinez provided similar evidence on Feb. 10, 1982, to the Federal Bureau of Investigation in the United States, Salvadoran judicial authorities had refused to accept it as evidence against Corporal Colindres in the courts in El Salvador.

The repetition of his testimony before the Salvadoran judiciary thus provides admissible evidence in the long effort by U.S. diplomats and lawyers for the women's families to obtain prosecution of Corporal Colindres and five other suspects jailed in the case.

The four women — Sister Ita Ford and Sister Maura Clarke of the Maryknoll order, Sister Dorothy Kazel of the Ursuline order, and Jean Donovan, a Roman Catholic social worker — were killed Dec. 2, 1980, shortly after leaving the international airport.

Mr. Martinez said he had advised Corporal Colindres to go to General Vides Casanova. But, he said, he never asked again whether the corporal actually talked with the general because he "did not know if it was true or false."

According to a transcript of the testimony, Mr. Martinez never went to General Vides Casanova with what he knew because he was afraid "he could have upset the investigation" then going on.

Corporal Colindres and five other guardsmen were arrested on the basis of other evidence soon afterward. Prosecutors have been gathering evidence for months.

Michael H. Posner and R. Scott Greathead, lawyers who have been pushing for prosecution on behalf of the women's families, asserted that the prosecutors had failed to develop the evidence, an assertion echoed privately by U.S. diplomats, who say the judiciary has been afraid to pursue crimes committed by Salvadoran security forces.

## Cuba, Nicaragua Reported Pressing for Salvador Pact

(Continued from Page 1)

to negotiate all "arms supplies by any country" to El Salvador.

Sources close to the guerrillas declined to discuss the details of the current meetings between the rebels and Nicaraguan leaders. But they added that the Salvadoran rebel leaders recognized that current U.S. pressures on Nicaragua were "extremely difficult" and that Nicaragua needed to "make some future changes in its strategy."

Although the guerrilla leadership was reportedly given prior notification of the July 19 announcement, some of the Salvadorans seemed concerned.

"This is a heavy meal," said one rebel leader. "It will take a while to digest."

Cuban and Nicaraguan suggestions that the Salvadoran rebels negotiate and take U.S. pressure off Nicaragua are not new, according to guerrilla leaders.

These leaders said that at first, Fidel Castro, the Cuban leader, recommended that the guerrilla movement support the coup by reform-minded military officers in El Salvador in October 1979.

In February 1981, following the failure of the Salvadoran left's so-called final offensive the previous month, the Sandinistas became alarmed by the suspension of U.S. economic aid in Nicaragua and, anticipating tougher measures from Washington, tried to promote political negotiations.

Last year, Mr. Castro again advised the Salvadorans to seek a pact because the situation for Nicaragua would become unsustainable, according to sources close to the guerrilla leadership.

But diplomats in the region caution against expecting early settlement of the differences between Washington and Managua and the Salvadoran left.

**4 Students in U.S. Lose Suit on Tests**

The Associated Press

NEW BRUNSWICK, New Jersey — A Superior Court judge has ruled that the company that runs the Scholastic Aptitude Test had the right to void the scores of four students accused of cheating on the college entrance examination.

The lawyer for the four Millburn High School graduates who filed suit against Educational Testing Service, of Princeton, New Jersey, said they will appeal Thursday's ruling by Judge Richard S. Cohen and hope to keep the scores of the 1982 tests on their records.

The testing company told the students in March that their right and wrong answers were so close that it suggested copying and that their scores would be canceled. The students, who said they plan to begin college this fall, took the test in the office of their tennis coach.

**UNIVERSITY DEGREES ARE AVAILABLE WITHOUT CLASSES!**

Complete university degree counselling services for accredited and legally recognised U.S. and U.K. degrees. Schools recommended for your personal needs.

Write for information: WORLDWIDE EDUCATIONAL COUNSELLING SERVICE 378 New Cavendish Street, London W1M 8JR

**GREAT FOR SWIMMERS**  
Largest indoor pool and Olympic size heated outdoor pool

**PALACE HOTEL GSTAAD SWITZERLAND**  
Please call  
Phone: (031) 831 31 Telex: 922 222  
The Leading Hotels of the World

Bulgari quartz watch. Water-resistant. Stainless-steel, gold-steel, 18K gold. Available in four sizes.

**BVLGARI**  
10 VIA DEI CONDOTTI ROMA  
HOTEL PIERRE NEW YORK  
30 RUE DU RHONE - GENÈVE  
AVENUE DES BEAUX-ARTS - MONTE CARLO  
HOTEL PLAZA - ATHÈNES - PARIS



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Sanctions and Poland

The sense spreads that the West's sanctions against Poland belong mostly to the past. The regime has met some of the West's conditions, it is argued, formally ending martial law and releasing many prisoners, but it is not about to license a Solidarity-like trade union again. The pope has accepted a broad dialogue with Warsaw and is undertaking to funnel private Western aid to private Polish farms, leaving the Western nations in the position of being "more Catholic than the pope" — a Polish pope. While the United States bars Polish airlines and (in a direct blow at the Polish people's diet) Polish fishing boats, the Reagan administration has just agreed to expand grain sales to the Soviet Union, the source of Poland's grief.

Sanctions stay in force but movement in the most important economic area has begun. The ending of martial law cleared the atmosphere enough to enable creditor governments to agree in principle to resume talks on rescheduling Poland's huge official debt. In those talks the Poles' best chance to win access to credits for vital needed spare parts and raw materials. The West has economic reasons for rescheduling; it has never considered rescheduling strictly as a favor to Warsaw.

The West went up the roller coaster with

Solidarity and came down with martial law. By this emotional route Western governments came to pin their policy to ambitious and currently unachievable expectations for post-martial-law Poland. Little thought was given to setting policy toward Warsaw in the overall context of East-West relations, with the result that the West now treats Poland worse than it treats the Soviet Union. Poland has the worst of both worlds: political restrictions from the East, economic restrictions from the West. Inevitably, the economic restrictions, although aimed at the Polish government, touch the lives of the Polish people, in whose behalf the West means to act.

The sanctions are likely gradually to come down. It is important, however, that a business-as-usual spirit not be permitted to prevail. The goal of renewal to which the sanctions were dedicated is no less worthy for being hard to reach. The laws that the regime has substituted for martial law are ugly and repressive. President Reagan is right to stress that the regime must free all political detainees and people accused of martial-law crimes. An open dialogue with the workers is the only way by which the regime can begin to earn legitimacy.

—THE WASHINGTON POST.

## How to Help Brazil

Brazil deserves at least as much of the Reagan administration's attention as Nicaragua — and more understanding. It is a dynamic country, by far the most powerful and promising in Latin America. The burden of its \$90-billion foreign debt threatens its stability, the cause of democracy in South America and even the foundations of world finance.

Brazil's spectacular growth in the '70s was irresistibly tempting to foreign lenders, who fed its insatiable appetite. The military government began to retrench four years ago, but not enough. World recession, high interest rates, too-rapid expansion of state-run industries and the rise in the cost of imported oil left Brazil unable to pay its foreign obligations.

The United States and the Bank for International Settlements made emergency loans last winter, while Brazil turned to the IMF and major banks for more significant help. As it must, the IMF conditioned its loan on austerity measures, but even these proved insufficient. A pending new agreement, to inspire still more loans from banks, would require more cuts in government subsidies and sharp curtailment of the indexation of wages, which has protected workers from inflation.

All this comes at a critical time for the country's politics. The military men who have ruled Brazil since 1964 are in the process of turning power back to civilians. Too much austerity could invite unrest and cause them to change their minds. Political opponents have muted their objections to belt-tightening so as not to provoke a retreat, but there have been

disquieting riots in Sao Paulo and attempts to stage a nationwide one-day strike.

There are no easy choices for helping Brazil. Default is a possibility but should be averted at all costs; it would cut Brazil off from credits and make a manageable recovery all but impossible. It could set off a chain reaction of bank failures. A repayment moratorium may be inevitable; if so, the better the better. The IMF proposes more stringent austerity, which is ultimately desirable if socially feasible.

The House version of the IMF funding bill urges stretching all developing nations' debts and reducing interest rates, but someone would have to pay. If it is banks, they will shy from necessary new credits; if it is IMF member countries, new funding will be hard to get.

More help for Brazil is coming through faster disbursement of already approved loans by the World Bank and the Inter-American Development Bank; and the Bank for International Settlements has let its loan stand unpaid. Treasury Secretary Donald Regan says the United States probably would not lend any more if asked, which is not much of a policy.

Worldwide recovery gives the greatest relief, but it will not be strong enough soon enough to avert less attractive measures. The most promising appears to be the IMF program — if the austerity does not crush the economy or political reform — plus more bank loans.

No one can be sure about the right remedies. But Brazil needs even more help than other debtors and deserves the most intensive care.

—THE NEW YORK TIMES.

## Other Opinion

### Struggling With the Dollar

The intervention in the foreign exchange markets by the central banks of Japan, the United States and West Germany to suppress the rise of the dollar is welcome but it is not the final solution to the overvalued greenback.

We urge monetary authorities to continue to make concerted efforts in the markets to bring down the value of the dollar. We are pleased that the United States participated this time. How long will the United States cooperate?

But the major task for the United States is to bring down its interest rates, because this is the basic cause of the dollar's abnormal strength.

—The Daily Yomiuri (Tokyo).

The intervention of the American Federal Reserve and the Japanese and West German monetary authorities to stop the rapid ascent of the dollar is long overdue. The Americans' past insistence on the virtues of free market forces has meant that intervention has occurred on only two previous occasions during the tenure of the present administration, one of them being the attempted assassination of the president. Even then the intervention was not grandiose. The present departure, or rather rediscovery of what some had feared to be a lost art, results in part from the emerging summit agreements. These were in turn based on an exhaustive exercise designed by the Europeans to prove that exchange market intervention should not necessarily be judged in narrow profit and loss terms, and might on occasion be positively desirable.

—The Guardian (London).

If the dollar stays expensive or rises further, it will offset the results of the French austerity

plan. At present, the American recovery has no appreciable equivalent in Europe, and the rise of the dollar has an inflationary effect.

—Les Echos (Paris).

It's like a stab in the back. The friendly old U.S. dollar is cutting up American business. U.S. manufacturers have lost from 12 percent to 25 percent of their relative price competitiveness with foreign producers because of the dollar's strength in relation to other currencies.

—The Chicago Sun-Times.

### A Debate on Proliferation

Until some other nation actually explodes a nuclear device, the threat of nuclear proliferation remains long-range and abstract. U.S. policymakers, while paying lip service to the need to stop the spread of nuclear weapons technology, regularly set aside anti-proliferation measures for the sake of more immediate, concrete political or diplomatic goals.

True, the premise that American leverage can affect the decisions of other nations is faulty. The spread of nuclear technology has reduced U.S. influence. Pending amendments to the 1978 nonproliferation act in Congress would close some loopholes and would add a carrot to the stick by offering much more favorable terms for nuclear exports to nations accepting anti-proliferation safeguards.

These changes may be useful — but what is also needed is a rethinking of the proliferation threat and possible ways to meet it. The debate of the last several years on strategic arms could be a model; it is clearly time for a similar educational process on proliferation.

—The Baltimore Sun.

## FROM OUR AUG. 6 PAGES, 75 AND 50 YEARS AGO

### 1908: Zeppelin's Airship Burns

ECHTERDINGEN, Germany — When the catastrophe which destroyed Count Zeppelin's balloon took place, the repairs were well in hand. Grenadiers were employed in holding the balloon down when the wind considerably increased in violence, and the great aerial cruiser commenced to roll and pull at its anchors. After a particularly violent lunge, one of the cars crashed on to the ground, causing the motor to explode. The soldiers let go and, the fire rapidly spreading, the balloon was a mass of flames as it rose in the air, and a few minutes later the debris fell to the earth a mass of ruins. Count Zeppelin's grief was painful to behold. Between forty and fifty thousand people were watching at the moment of disaster, but only two or three persons were injured.

### 1933: Chaplin and a Japanese Plot

TOKIO — A nationalistic sublieutenant in the Japanese navy told from the witness stand how extremists had planned to assassinate Charlie Chaplin in a wild plan to thrust Japan and the United States into war. The story of the plot against Chaplin, British-born film comedian, whose fame is as great in the Far East as in America, was related by Sublieutenant Koga at the trial of ten naval officers involved in the assassination of Premier Tsuboyoshi Inukai on May 15, 1932. Koga said the extremists had planned to bomb the official residence of the premier during a reception for Chaplin. The reception was cancelled. The witness said it had been hoped that the death of Chaplin would cause a war, "which was needed to rehabilitate the Japanese spirit."

# Toward Economic Organization of the Pacific Basin

By Walt W. Rostow

HONOLULU — Since Professor Kiyoshi Kikima proposed in 1967 the concept of a Pacific Free Trade Area, the notion of setting up some kind of an economic institution to embrace the whole of the Pacific basin has been on the international agenda. Rarely has a concept been so intensively and systematically canvassed for so many years with so little result. In the words of the old Chinese proverb, there has been a great deal of noise on the staircase but no one has come into the room.

At first sight, effective regional organization of Asia seems much more absurd than inevitable. After all, putting the Soviet Union aside, almost 60 percent of the population of the world lives in Asia. The task would seem just about as elusive as that attempted by the United Nations.

Asian nations' politics constitute a spectrum from Western-style democracy to military or Communist Party dictatorship. They differ in

racial, religious and cultural heritage; and history has burdened some with deeply rooted antagonisms toward neighboring states. Regional cooperation has certainly not proved to be easy and inevitable.

But neither has it proved absurd. Significant progress has been made.

It is worth noting a remarkable fact that many have come to take for granted: In the whole sweep of the history of the modern world economy during the past two centuries, there is no equivalent to the sustained pace of economic growth generated in the Pacific basin since the 1950s. This saga opens up the possibility of — and even requires — forms of economic cooperation that would have seemed inappropriate or even utopian in the first postwar decade.

The Asian Development Bank is a vital regional institution now accorded the highest form of praise — that

of being taken for granted. And the Association of Southeast Asian Nations (Malaysia, Indonesia, Singapore, the Philippines and Thailand) has patiently built up in the past generation the habit of cooperation, including the capacity to settle potential conflicts among its members.

With the maturity to understand its limitations as well as its potentialities, ASEAN has demonstrated that, acting together, the five nations can not only stand stronger than if each of them stood alone, but can also contribute significantly to the stability of the larger region of which they are an important part.

The circumstances of Asia suggest that an organization performing for the Pacific basin roughly the functions of the Organization for Economic Cooperation and Development in the Atlantic would be useful. Why has it not happened? The

OECD was uniquely fortunate. Its predecessor institution, the Organization for European Economic Cooperation, set up to manage the Marshall Plan, already existed and had generated the habit of cooperation within Europe and across the Atlantic. Initial members of the OECD were relatively homogeneous with respect to levels of development, culture and political institutions. Asia is much more diversified.

The Pacific region has its particular security concerns. Would membership draw countries into unwanted, more explicit security relations with the United States? And if communist governments were permitted to join, would the organization permit unwanted contacts with or influence by such governments?

Some countries of the region fear that an economic organization would inevitably be dominated by Japan.

the United States or, worst of all, by both countries in concert.

Would a Pacific basin organization dilute the slowly developing but important elements of economic cohesion within ASEAN?

And there is the question of Taiwan's place. Its inclusion might pose problems for relations of a Pacific basin organization and some of its members with China.

It is good to try to define an initial agenda, a mode of organization and the membership of a Pacific basin organization that might resolve or mitigate this array of problems.

A Pacific basin organization would be most likely to emerge successfully by demonstrating, case by case, that it is a useful supplement to national, bilateral and existing multilateral economic relations. The way to begin is to go to work on a major problem of palpable common interest.

The problem of energy supply is, I suggest, a prime candidate for an initiating role. This judgment flows from an exceedingly important fact often ignored in discussions of the future of the energy market: At this stage of their evolution, developing nations experience much higher rates of growth in energy consumption than advanced industrial countries.

History is seldom linear, but if the 1971-72 differential rates were to persist, by the year 2000 developing Asia would require 2,200 million tons of oil equivalent in energy consumption.

It is calculations like these that have led the World Bank to estimate investment requirements for energy production in the developing region as a whole at approximately \$683 billion (in 1980 U.S. dollars), lifting the proportion of investment allocated to this purpose from 2.3 percent of GNP in 1980 to 3.2 percent in 1990.

A 1982 Asian Development Bank study on Asian energy problems, covering all the ADB developing countries, concludes that the average annual investment needs of energy will be more than double the 1980-1985 period. The study concludes that in most developing countries almost all the needed equipment has to be imported; and that the task of mobilizing the necessary external financial resources will require heavy support from international financial agencies.

This study also notes that many of these developing countries do not have energy supply and consumption data organized in such a way that they are amenable to economic and statistical evaluation.

These pioneering calculations suggest the order of magnitude of the task confronted in the Pacific basin if the rapidly growing countries of the region are to provide themselves through their own resources and external assistance, with the energy base they will require if high real growth rates are to be sustained.

Members of ASEAN might prepare their estimates in common and present them on a consolidated basis. The secretariat of the energy program (organized by the Asian Development Bank) would pull together their projections, assure their comparability and present a broad statistical picture of the region's energy problems and potentials. On the basis of such data, responsible energy officials of the governments (as well as officials of the World Bank, the ADB and possibly the International Energy Agency) would meet and isolate certain key areas for action.

The exercise as a whole would, if successful, require the governments to examine their energy prospects on a long-term basis; lead the governments to act domestically with a longer time horizon than that induced by the short-run oscillations of the international oil market; stimulate ASEAN to heighten its collective efforts in the field of energy and provide special resources for that purpose; and enlarge the flow of external capital, public and private, to expand the region's energy base.

The enterprise would not, initially or perhaps ever, involve new structures or institutions. The ADB could sponsor the gathering of relevant data and its secretariat could service the meetings. The World Bank and other relevant global institutions could attend and contribute. Participation within the Pacific basin would be on the basis of the interest of governments in participating.

Other candidates for this pragmatic multilateral approach are agriculture, raw material supply (including the maintenance and systematic cultivation of the forests), and trade.

The writer, who was special assistant for national security affairs to Presidents Kennedy and Johnson, is professor of economics and history at the University of Texas. This comment was adapted from a recent address at the East-West Center in Honolulu.

## Terrorists Should Find No Indulgence

By Flora Lewis

PARIS — The recent upsurge of Armenian terrorism raises some complex problems. Despite intermittent clouds of revulsion, there has not been a strong enough international stand on terrorism to provide clear answers.

Too many observers have succumbed to the temptation to denounce the terrorist deed and sympathize with its purpose. Obviously some young Armenians have been impressed with the apparent success of non-Armenian terrorists in putting their cause on the world agenda.

The Palestinians are an example, although no one can point to a single improvement in the lot of either the Arabs in territories occupied by Israel or of the Palestinian diaspora as a result of terrorism. West German and Italian murderers did terrify their societies, but they failed to achieve anything but their own destruction.

Now comes Armenia. Their goal is even more remote than that of the Palestinians in search of a state or of the Europeans trying to provoke revolution. They want the world, and especially Turkey, to recognize formally that the massacre of Armenians in 1915 was the 20th century's first example of genocide.

It is important to specify the 20th century, because of course history is replete with examples of genocide, from the earliest times to the massacres of Amerindians in the United States, Argentina and other parts of the New World.

The difference is that now, at a stage in human development at which war has yet to be generally seen as an intolerable abomination, genocide has at least been recognized. That is an advance, perhaps a hope for the future — although modern weaponry has also advanced to the point at which war and genocide can be synonymous.

But is that a reason for more killing so as to force attention to the past? How far back should it go? Which societies should do penance for their ancestors and which are so blameless as to have the right to judge?

Perhaps the Armenian terrorists are acting in collusion with others who have their own, more immediate reasons to sow new distress abroad.

The PLO enabled them to establish headquarters in Beirut when that city was the world's terrorist capital. Since, some have found refuge in Syria and Iran, apparently moving from there to Europe. It is curious, at the least, that the published grievances never seem to complain about the lot of Armenians in the Soviet Union.

These are side issues. The central point is terrorism. There has been a tendency in France, particularly, to make a distinction between "selective" terrorism, such as the murder of Turkish diplomats, and indiscriminate attacks such as the recent bomb at Orly airport outside Paris.

There has been a tendency among some U.S. as well as French commentators to say that even though their methods are reprehensible, the Armenian terrorists do have a point.

There has been more than a tendency among peaceable Armenians to welcome the attention.

A Mass was celebrated in Paris for the five Armenians who blew themselves up along with the wife and son of the Turkish envoy in Lisbon.

In fact, all this serves the terrorists' aim. To make a point now, as the French government has done, of previous efforts to have the United Nations condemn the 1915 genocide is to accept

the terrorists' argument and plead for a truce. Two legal Armenian groups in France have acknowledged this diplomatic effort, going on to say that it must be successfully concluded "or terrorism won't be avoidable and world equilibrium could be disturbed."

What group will be next to demand "understanding" and political support in return for restraint from wanton killing? The world is full of people who are suffering, let alone of people whose forebears suffered.

A firm line must be drawn. Terrorism cannot work as moral blackmail any more than as political blackmail. Condemnation must be unequivocal. Understanding should be reserved for victims. Civilized countries cannot afford to waffle.

History cannot be undone or avenged. Tragedy has always been part of the human condition. The requirement of justice is to reduce and alleviate it among the living and in future generations. That will require all our humble efforts.

The Armenian terrorists are more important than their cause in one way. They are a reminder of how long the burden of gross injustice weighs, of how hard it is to wipe away the stain of conscienceless evil. They deserve no indulgence; there lies the way of spreading horror and cynicism of moral sense. But they are to be heard as decisions are pondered in current conflicts, as the search for power and domination is pursued at the cost of lives. Victory can be an illusion.

This is not pacifism. It is a reflection of the unforeseeable consequences of trying to impose a national will by force. Hatred can have a terribly long life, well beyond the span of those who practice and provoke it.

The New York Times.

## Renewed Polish Unrest Is Inevitable

By Abraham Brumberg

MUNICH — In recent weeks the Polish government has lifted martial law, released a few dozen political prisoners and promised amnesty for hundreds of others. With this and a flurry of "special regulations," General Wojciech Jaruzelski hopes to achieve at least the appearance of national reconciliation.

In reality, these policies are a prescription for yet another explosion of Polish unrest, perhaps more violent than any in the past.

The regime has several objectives. It seeks the appearance of normalcy, so as to demonstrate to its "fraternal allies" that the Communist Party's power can now be exercised without embarrassing compromises.

Second, General Jaruzelski is determined to strengthen the machinery of the state.

Third, the regime hopes to induce Western governments and banks to lift their sanctions and reschedule Poland's foreign debts.

Finally, by trying to convince Poles that their government has their interests at heart, he seeks to prevent another outbreak of unrest.

He may achieve the first three objectives. In the short run there will be some marginal improvements: Several hundred Solidarity members released from prison, factories no longer directed by military men in military uniforms, the power of the military curbed, passport regulations relaxed. Steps to strengthen private farming may even result in greater supplies of food for all Poles.

But few Poles fail to see that General Jaruzelski is far from remaining what he calls "true to the spirit of the 1980 agreements" — the Gdansk accords between Solidarity and the government guaranteeing the right to strike and free independent unions. He has sought instead to annul those accords and tighten the repressive control of the government.

The Roman Catholic Church, too, is increasingly disappointed with the government, and it may consider

abandoning the de facto collaboration by which it has tried to exercise a moderating influence on the regime. (In fact, the church has had little influence. A few weeks ago church spokesman announced that it had succeeded in blocking passage of some particularly noxious amendments to the penal code. Within days, Parliament passed several of them.)

The 10 million men and women who joined Solidarity wanted — and were promised — union pluralism and democracy; instead they will get one official union.

They wanted to dilute the power and privileges of a hated bureaucracy; instead the prerogatives of that bureaucracy will be increased.

The Polish people wanted and were promised economic decentralization; instead the new regulations enhance central controls over decisions about pricing and production.

They wanted a greater voice in running their factories; instead the power of managers has been increased, self-management councils can be dismissed if deemed a threat "to the basic interests of the society" and

workers' choice of employment will be severely limited.

Intellectuals craved more freedom from the party's control. Instead, most of their associations have been dissolved; and new regulations make it "illegal" for the government to dissolve any such organizations that are formed in the future.

The academic freedoms won in 1980-81 have been abolished, and the authorities have been vested with the power to suspend university senators, dismiss officials and faculty members and forbid any assemblies — at universities and elsewhere — considered "threats to public order."

The Gdansk accords promised a liberalized censorship law, and one was indeed promulgated a year later. Now it has been rescinded and replaced with a far more restrictive one.

Theoretically, some of the regulations can be abolished in two years if what is now called the "state of crisis" is over. But most certainly the state of crisis will not be over. The new measures are guaranteed not merely to sustain it but also to bring it eventually to a breaking point.

In these circumstances the apparent haste of some Western countries to lift economic sanctions and again provide the Polish government with economic aid is not only morally indecent but politically disastrous.

There is room for argument about whether the sanctions were wise or effective, and indeed about whether any economic sanctions can change the policies of a repressive regime. A case can be made, too, for lifting those sanctions that strike first and foremost at the Polish people rather than their rulers. But to rush in with a flood of renewed credit and other economic help is sheer folly. It will not encourage liberalization but rather provide temporary relief to a regime bent on precipitating disaster.

The writer, editor of "Poland: Genesis of a Revolution," contributed this comment to The New York Times.



"On three you are no longer in prison. One...two...three!"

## How a Crisis Disappears Into Thin Air

By W.F. Buckley Jr.

NEW YORK — Every now and again dependent observers of the world must thoughts to the effect that democracies simply cannot contend against totalitarian powers because of the inherent advantages of decisive rule uninhibited by the need for public sanction. The consolidation of the Polish question, contrasted with the continuing turmoil in Central America, illustrates both the advantages of communist practice and the collision of the West in bringing on their success.

Would any stray diplomat, if colored on the street, say that there is at this moment a "Polish crisis"? The answer is, very clearly, no. But then why was there ever a Polish crisis? There was a Polish crisis because a labor movement called Solidarity captured the national imagination and served demands on the communist overlords to acknowledge such basic human freedoms as were enunciated in the Helsinki accords.

But then why is there no longer a Polish crisis, given that the Poles do not enjoy the freedoms they set out after? Because the West has agreed that nothing is going to be done to challenge the hegemony of the Soviet Union over Polish affairs.

Lech Walesa pronounced the final judgment on the end of martial law in Poland. It would be preferable, he said, to live in Poland under martial law than in the circumstances imposed by the new constitution.

The peculiar working of the Western mind has it that not only do crises go away when the Soviet Union resolutely steps in to stop the threat of disorder, they also go away when the West contrives to make a bad situation worse. The Vietnam crisis ended when Vietnam was surrendered to communist aggression. The Salvadoran crisis will end a month or two after the insurgents take power.

Ronald Reagan is the president of the United States, and even so we accept such defeats as have been handed to us in Poland.

In such moments as these, one concludes that if the West is going to win, it will do so because of the failure of communism, not because of the resources of freedom.

Universal Press Syndicate.



"Congratulations!"

## LETTERS TO THE EDITOR

### Madrid in Practice?

Is the refusal of accreditation by the regime in Poland to Henryk Kurta, for long years a correspondent there for the Brussels newspaper "La Libre Belgique" and for Belgian radio and Swiss papers, an indication of how the "balanced" Madrid compromise will work in practice?

S. GROCHOLSKI, Hamme-Mille, Belgium.

### Amnesty's Mission

In response to "Amnesty International" (Letters, July 21):

By politely but insistently pressuring governments and other legally established bodies in states that are found to be violating human rights, and in reference to specific prisoners or "disappeared" persons, Amnesty International tries to enforce guidelines laid down in the International Declaration of Human Rights. This method of working obviously precludes dealing with loosely organized groups of insurgents, since there are no lines of communication.

It is a fact that in Amnesty's yearly

reports "unequal" treatment appears to be given to the democracies and their allies, because access to those countries is easier. The public may draw whatever inference it cares to from this fact, but it is worthy of note that Amnesty is severely criticized by East bloc countries.

Despite all the criticism, thousands of Amnesty members work quietly but doggedly, within the strict limitations imposed by Amnesty International's nonpartisanship and working methods, for the enforcement of basic human rights by all governments.

MARIA K. CONSTANTINIDIS, Kifissia, Greece.

### Churches and Marxism

John Dart's story on the World Council of Churches (JHT, Aug. 1) says that criticism of the WCC by Reader's Digest "relied heavily on information from the conservative Institute on Religion and Democracy for critical reports."

May I point out, as author of the Digest article on the WCC, that it was based on two months of research in four European countries and the

United States. That included several days of lengthy interviews at WCC headquarters in Geneva and at the organization's New York office.

I had only two interviews with representatives of the Institute on Religion and Democracy. I do not consider that they unduly influenced my conclusion that, unfortunately for Christianity, the World Council of Churches has fallen prey to fashionable and often half-baked Marxism.

JOSEPH A. HARRIS, Paris.

### A Reader's Questions

Why does a front-page report in your Aug. 2 issue ("Republican Leader Opposes Reagan on Advers for Salvador"), use the pejorative adject-

ive "so-called" when referring to the Contadora group of Latin American countries, a responsible grouping that happens to be playing a critical role in Central America?

And why does a report on that same page ("Hare Krishna Sect Alarms Kremlin"), while saying that the Kremlin is alarmed by what it claims to be a CIA agent acting in the Soviet Union as a guru of the Hare Krishna sect, avoid casting the least light on the allegation's accuracy? If it has any basis, I, as an American citizen, would also be alarmed.

JOHN ERNEST, Santa Barbara, California



# Cultural Contrasts of U.S. and Japan Make Educational Borrowings a Problem

By Edward B. Fiske  
New York Times Service

OSAKA, Japan — Japanese schools are so closely tied to the culture and economy they serve that the question of what American educators might borrow is complex.

"Japanese schools cannot be a model for American schools," observed Lou-Anne Wesler, an American who recently spent two years

## JAPANESE EDUCATION

Last of four articles.

teaching in Japanese schools. "But both countries certainly can learn from each other."

Certain obvious strengths of Japanese schools clearly could be incorporated into the American system, beginning with the priority that education receives. The Japanese spend more of their national income than Americans do on education, give it a larger share of the national budget and reward their teachers, who work year-round, with higher salaries and more social status. Teachers are seen as performing a valued service to their country.

American schools could also move toward Japan's focus on fundamental academic skills, and while Saturday classes might be unacceptable in the United States, where nearly everyone has a five-day work week, the length of the school day and school year could be extended. Some American teachers believe, for instance, that the Japanese, by not having a three-month summer vacation, avoid the problem of students' reviewing every fall material they might have forgotten over the summer.

There are also some subjective aspects of Japanese schools that might be appreciated by American educators. Mrs. Wesler, for example, noted the capacity of Japanese schools to impart to their students. "We can do a lot more to foster group identity and to make students feel part of their schools," she commented. "We sometimes get carried away with our individualism."

On the other hand, much of the success of Japanese schools can be ascribed to a sense of discipline, the willingness of students to accept the authority of teachers without dissent and the capacity of the youngest students to concentrate on detailed tasks for long periods of time. Such qualities are deeply rooted in aspects of Japanese culture and social values, from work habits to family structures and possibly even diet, that do not lend themselves easily to being exported.

Americans, for example, tend to think of the "sensitive" teacher as the one who is alert to the individual needs of each student and can find ways of developing them. In Japan, however, the "sensitive" teacher is the one who can find ways of moving the class forward as a group.

Jackson Bailey, a historian at Earlham College in Richmond, Indiana, who has spent many years studying Japanese education, believes the contrasting views of the relationship between individuals and groups is basic to any effort to learn from the Japanese experience.

"Dependence and independence are both essential to human life," he said. "The Japanese lean toward one, we lean toward the other. In Japan, psychological satisfaction comes from the fact that a group depends on you, and you on the group. They see dependence as a positive value. We think of it as a negative."

There are certain paradoxes in the current American interest in Japanese schools. For one thing, many of the ingredients that American reformers are proposing to improve their education system

cannot be found in Japan. Japanese classes are large. Superior teachers are not rewarded with merit pay. Automatic promotion of pupils from one grade to the next is the norm. And teachers cannot just concentrate on teaching but are expected to become involved in their pupils' social problems.

In addition, the United States has a large, heterogeneous population with diverse educational needs, while bilingual programs to the inner city to college-level instruction in elite suburban high schools. The best American high schools are undoubtedly superior to anything that Japan has to offer, but maintaining a basic threshold of competence for such a diverse population is an enormous and expensive task.

Furthermore, education in the United States is complicated by poverty and changes in family structures. The divorce rate in the United States is 90 a year for every 1,000 marriages, and nearly one in five American children is being raised by a single parent.

Japan, by contrast, has an unusually homogeneous population and relatively few of these social problems. The poorest 20 percent of Japanese have a greater share of the national wealth than that portion of any other industrialized nation. Illegitimate births are rare, and with a divorce rate of less than 3 a year per 1,000 marriages, only 5 percent of children live in single-parent homes.

Such homogeneity makes possible what would be out of the question in the United States: an efficient, centralized school system with clear-cut goals accepted by virtually everyone and a remarkable consistency in the quality of teaching in schools, both urban and rural, throughout the country.

Moreover, the Japanese are convinced that their system has serious problems of its own, many of them deriving from the very means used to achieve academic successes, and most of which are diametrically opposed to the difficulties confronting American schools. Many Japanese agree with Jiro Hagai, a professor of education at Hiroshima University, that "our education is geared to mediocrity, not to excellence."

Last month, Prime Minister Yasuhiro Nakasone appointed an advisory panel headed by Masao Ikuoka, the founder and honorary chairman of the Sony Corp. to study the country's education system and recommend reforms.

Mr. Nakasone was prompted by the most visible issue facing Japanese education, violence in the schools. Last month the Education Ministry issued a study that found that incidents of violence, ranging from the breaking of windows and fights among students to assaults on teachers, occurred last year in 14 percent of all public junior high schools and 11 percent of high schools.

The study, which was prompted by a stabbing incident in a junior high school, found that the level of violence was highest here in Osaka, where half of the junior high schools and two-thirds of the high schools experienced violence. Property damage was estimated at more than \$250,000.

This level of violence in schools may sound modest to Americans accustomed to hearing about rough and tumble urban high schools. But in a country where the rate of all crimes is low and where even joggers heed red lights whether there is any traffic or not, it has become the most widely discussed domestic problem and was an issue in the recent annual elections.

Motoyuki Makida, the president of the Japan Teachers Union, called school violence a "disease of all highly industrialized countries" and said that it reflected Japan's emphasis on economic development at the expense of "human

Yukie Kono conducting a second-grade class in Tanohata, Japan. Below, students and teacher exchanging bows after a math class in Hiroshima.



values. Like almost everyone else interviewed on the topic, he also cited the problem of *ochikobore*, or "dropouts."

In Japan, the term dropout does not refer to students who leave school before the age of 18, something that hardly anyone does, but to students who, while remaining in the classroom, cannot keep up with the rapid pace of instruction mandated by the examination system.

Statistics on the number of school dropouts are impressive, but a decade ago Japan's National Association of Educational Research Institutes asked a sample of elementary and junior high school teachers for their impressions of how many of their students were not keeping up with the curriculum. The consensus was that half fell into this category.

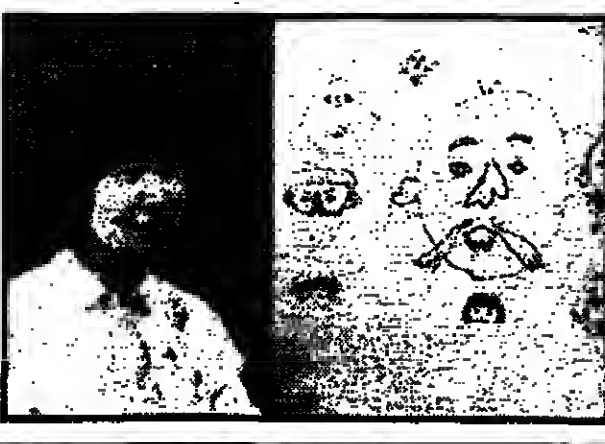
Most teachers and principals link the dropout problem to the high standards of the nationally mandated curriculum and the fact that the primary responsibility of teachers is to prepare students for the rigorous high school and college entrance examinations.

Nobukazu Matsura, a high school teacher in Hiroshima, said he had previously served in a urban high school in Osaka where four-fifths of the students could not keep up. "A lot of students can't understand the lesson but want to express themselves, so they do it by breaking a window or hitting someone," he said.

In the United States, students having difficulty keeping up with the general academic pace would probably be put in a slower-moving section or even held back a year. In Japan, however, the social ostracism inherent in such solutions makes them impractical, so reform efforts have taken the form of reducing academic pressure. "We must lower the general level of instruction," said Mr. Makida.

Shodo Kawasaki, a math teacher and deputy principal at the Hiroshima University Elementary School, agreed. He pointed to a problem in the fifth-grade textbook that asked students to calculate the original price of an item that is "discounted 20 percent and costs 560 yen" and commented, "This is too difficult for fifth graders."

Many Japanese agree that the effort to raise the level of basic skills that Americans envy so much has been pushed too far, and the Education Ministry has taken several steps in recent years to retreat a bit. The number of hours prescribed for math and English each week in elementary and junior high schools has been reduced from four to three, and the ministry has appealed to teachers to keep the level of homework down.



Such changes also address another widespread fear: that even students who can keep up with the fast academic pace are working too hard, becoming stunted in their artistic and emotional development and, in effect, being deprived of some of their childhood.

"I feel as if I missed a lot while I was studying so hard," recalled Yuri Ideawa, a 19-year-old college student from Yokohama. "I like drama, and my first year in high school I was a member of a drama group. But I had to resign to prepare for the examinations."

Schools have made use of the added free time in ways familiar to Americans. Many have encouraged sports and other extracurricular activities, and some have

of the Kanda Elementary School in Tokyo, said that he had used it to promote student council activities, such as student-run festivals.

A growing number of Japanese are also worrying about whether their education system is producing students with the imagination and critical thinking skills necessary for leadership in a sophisticated technological society.

Two years ago, Tetsuko Kuroyanagi, a Japanese television personality, had a book of recollections of her childhood published, entitled "Totto-Chan: The Little Girl at the Window."

The book recalls how, shortly before World War II, she was suspended from the first grade in her local public school for being too much of a dreamer. She found her

way into a progressive school run by a man with an instinctive understanding of how children and their curiosities can grow.

"Totto-Chan" became a record best-seller, with sales now above six million, and Miss Kuroyanagi attributes its remarkable success not only to her celebrity status but to a widespread feeling that "there is something terribly wrong with education in Japan today."

Japanese education produces a high level of academic achievement, she commented. "But it does not nurture individuals, people who do original work," she continued, "and because teachers cannot afford to take time to help the many children who are unable to keep up, they fall further and further behind. In the process, they're scarred for life."

Much of the creativity problem is rooted in the examination system, which to a large extent is a measure not so much of a student's intrinsic ability as it is a test of his willingness to conform and memorize.

When a company hires someone who has made it into a top university, it can be assured he will be willing to work long hours, remember large amounts of information and, above all, accept the goals of the organization. "Qualities valued by industry such as hard work, consistency, durability and loyalty are fostered in the schools," observed Nabuo Shimahara, a Japanese scholar at Rutgers University in New Jersey.

This system served Japan well during a period when its economic growth was achieved primarily by taking ideas generated in the United States and elsewhere and doing a better job of turning them into practical products.

A growing number of corporate leaders, educators and others, however, wonder whether these qualities will continue to be adequate now that Japan may have to start generating ideas of its own.

Mr. Ikuoka of Sony said in an

interview that his company could not "do very interesting work" if it employed "only people who have graduated from the right universities." He said it was difficult to try to develop special talent or creativity at any stage in the Japanese system.

Many teachers share such concerns. "Our children are not creative enough," said Tomiko Yusa, who teaches at the Uchikoshi Junior High School in Hachioji. "There may be 36 ways to solve a math problem, but we don't have time to let them see more than one. So we produce children who can solve every problem with one method."

"In Japan, everyone can hit a single, but nobody can hit a home run," said Sukiyasu Yamamoto, a professor of physics at Tokyo University.

Some educators have begun to address the creativity problem. At the Shimanokoshi Elementary School in Tanohata in northeastern Japan one day recently Yukie Kono had her second graders read a short illustrated poem about a face drawn in the moisture on the glass door of a shower. She then asked them to think for a few moments about what happens to such a face when the water begins to flow, and she then had them come to the front of the room and draw their interpretation of such a face. The next step, she said, will be to have them write their own poem.

"I wanted them to understand the poem and the picture from their own perspective, and through their own experience," she explained later. "Reading a poem and seeing a picture alone doesn't make it yours."

Seisu Okubo, the principal of the school, said she was encouraging Miss Kono but acknowledged that such teaching was "an exception" in her country. Asked whether she feared that the values her school was instilling might not last once the students reached junior high school and began to feel the

pressure of entrance examinations, the principal replied, "We can only do what is best at our level."

The development of creativity at the highest levels is complicated by the small amount of serious academic work done by undergraduates in most Japanese colleges and universities. Since students are hired not on the basis of their college grades but largely on the basis of the reputation of the institution to which they were admitted four years before, there is little incentive for students to study with any diligence. Companies and governmental agencies, in turn, expect to give students the training they need to function within their organizations.

"Companies don't want students to study too hard and arrive with strong opinions or identities," said Isamu Nagami, a professor at Hiroshima University. "They want to do the educating."

Because of this system, some educators say that whatever advantages Japanese high school graduates have over their American counterparts are effectively eliminated for those students who go on to higher education.

Yasuo Sakakibara, a professor of economics at Doshisha University in Kyoto, one of the country's better private institutions, has taught in American as well as Japanese universities and recalled that the freshmen he encountered in the United States tended to be "pretty weak in terms of basic knowledge."

"American students have a lot of energy, though, and they work hard in college," he continued. "By the time they reach the senior year they are better equipped for graduate training than their Japanese counterparts. The Japanese student will know more names — Malthus, Samuelson and so forth — but the American will know more about basic economics."

"We are trying to improve the situation," Mr. Sakakibara said of his department at the university, "with more American-trained young people."

## INTERNATIONAL EDUCATION DIRECTORY

SWITZERLAND

### INSTITUT D'SCHMIDT

INTERNATIONAL HIGH SCHOOLS FOR BOYS

- Lake of Geneva - facing the Alps.
- Boarding and Day-Schools.
- Primary section.
- Secondary studies: High-School, Swiss Federal Matriculation and French Baccalaureate (all types).
- Special Sections: Commercial Certificates and Diploma.

SWITZERLAND

### AMERICAN COLLEGE OF SWITZERLAND

- Switzerland's only independent, fully accredited American College.
- A.A., B.A., B.S. Programs in: Business Administration, Economics, Political Science, French, Modern Languages, and Law Studies.
- Complete, attractive residential facilities on 11-acre campus.
- Two Term Summer Session beginning July 23, 1983.

Contact: Richard Collins, Dean of Admissions, Laysan 1854 (R), Switzerland. Tel: 025/342222. Telex: 453-227 AMCO.

BELGIUM

### The E.E.C. School

Antwerp's fastest growing independent international school offers your children the education they need in a competitive, motivating atmosphere. Located in the heart of Antwerp, its fully equipped facilities and programs are flexibly designed to provide a combined American and British (C.E.) curriculum. The E.E.C. School has adapted itself to our changing society. Its computer facility is the largest educational installation in the Benelux and your child will be thoroughly trained and enjoy unlimited potential to practice this successful skill. The school is nearly free and a pleasant surprise: From B.F. 49,000 for kindergarten to B.F. 108,000 for grade 12. The E.E.C. School is located at Jacob Jordaensstraat 77-79, 2018 Antwerp. For information and registration, contact Prof. J. Wells, headmaster, at his office at Amerikalei 53, 2000 Antwerp. Tel: 03/237.27.18. The office is open weekdays all summer from 9 a.m. to 5 p.m.

### The Benelux's Leading U.S.-affiliated Business School

European University Antwerp and Brussels Undergraduate programs (daytime): —Bachelor of Business Administration —Bachelor of Science/Economics —Bachelor of Science/Computer Science —Bachelor of Public Administration —Bachelor of Accounting. Graduate Programs (evening): —Master of Business Administration —Master of Public Administration. For information, contact Prof. Dr. X. Nieberding, President European University, Administration Office, Amerikalei 131-133, 2000 Antwerp. Tel: 03/238.10.82. The University's main buildings are located on Jacob Jordaensstraat 77-79 Antwerp and Rue Royale 302 1050 Brussels. European University is a registered member of the "American assembly of colleges schools of business."

AUSTRIA

### SEA PINES ABROAD

A-5324 Faidenau bei Salzburg

Austria

An American preparatory school situated high in the Alps. Grades 9 thru 12. Co-educational. Boarding. High academic standards. Skiing. Supervised travel.

WRITE FOR CATALOG

SPAIN

### AMERICAN SCHOOL OF MALLORCA

AN INTERNATIONAL ACADEMIC INSTITUTION

Accredited by the Middle States Association • Boarding 7-12 and day 1-12 • The only high school offering pre-engineering and business sequences along with top college prep • The only professional vocational education program in Europe; students acquire well-paid skills • Notable history of college admissions • Advanced placement and college transfer courses • Specific learning disabilities center that achieves excellent results • Testing center for SAT, ACT, TOEFL and other U.S. examinations. CALL ORATORY, 9 - PORTALS NOUS - MALLORCA - SPAIN TEL: 673850/51 - TELEX: 69046-HITEN

SWITZERLAND

### ECOLE NOUVELLE PREPARATOIRE

Language Certificates and Diplomas in French, English and German, Computer science courses.

- Extensive sports: Winter sports at Zermatt.
- Summer session.

For information and conditions: Mr. Marc J.F. De Smet, Institut Dr. Schmidt and Ecole Nouvelle de Paudex, Château de la Rive, CH-1095 LUTRY.

Tel.: 021/39 51 12 and 39 24 77, Tlx: 25495 CHMI-CH.

GERMANY

### LEARN SWIMMING

in only 7 days

- Are you a non-swimmer?
- Do you lack confidence?
- Are you frightened?
- Of water? □ Deep water?
- Of collisions?
- Of jumping in?

Doris Bolle frightened □ of jumping in? Rainer Bolle

Do you lack coordination, stamina? breathing technique? □ survival techniques? □ diving techniques? □ back and breast stroke? □ crawl-swimming?

□ Have your children any water problems?

• Highest success rate • 8 own indoor pools 32 degrees F (33° C)

• No spectators • 7-day swimming holiday • Lessons and accommodation with breakfast and 3-course meal, all under one roof • 25,000 successful participants from 9 European countries

Sporthotel Bolle, P.O. Box 124, D-5870 Herten (West-Germany)

Telephone (02371) 1976 Telex 827410 Please send free of charge and without obligation information about the items I have ticked above

U.S.A.

### LEARN ENGLISH IN THE USA

• Fully accredited • Eight students (or less) per class • \$125 per week/25 class hours • Oral Skills Emphasized.

September 12 through October 14

October 24 through December 16

New England Language Institute

25 Main Street, Northampton, Mass. 01060 USA

AUSTRIA

### WEBSTER UNIVERSITY

in Vienna

BA Degrees in Management, International Studies, and Computer Studies

MA Degrees in Management, International Relations, Human Relations, Economics and Finance

New: MA in Energy Economics

The next 8-week term begins August 29th

American Accreditation. Admission in each term.

Dr. Robert D. Brooks, Director, Schuberting 14

Phone (0222) 52 11 36 A-1010 Vienna, Austria

FRANCE

### The most renowned school for French

THE INSTITUT DE FRANÇAIS

Overlooking the Riviera's most beautiful bay

MAKES LEARNING FRENCH

A WONDERFUL AND UNIQUE EXPERIENCE

The next available 4-week day-evening program starts Aug. 29, Sep. 26, 1983 and all year.

LOGGING IN PRIVATE APTS. AND 2 MEALS INCLUDED.

For adults, 6 levels: from beginner I to advanced II.

Years of research & experience in the effective teaching of French to adults.

INSTITUT DE FRANÇAIS - N-6

23 Av. Général-Ledot, 06200 VILLERFRANCOIS/MEER. Tel: (93) 80.86.61.

International Education Directory

appears every Saturday

GERMANY

### Management • Business Economics

• Marketing • Psychology • Computer • Courses • Diploma

Possibility to receive a degree.

Free brochure EBS from

HOEFELIN ACADEMY

07528 Weil-Rhine, West Germany

U.S.A.

### A Sound Education For English Speaking Children

High quality, effective home study courses developed by certified teachers at outstanding Baltimore private school. Home is your classroom. You are the teacher. Success is easy with explicit step-by-step instructions. Ideal for enrichment or for families on the move. All materials, required start-up time. Transfer to other schools. 300,000 students used in over 75 years. Non profit (not for profit). Fully approved White or Col for free catalog.

CALLERT SCHOOL

1415-15th St. N.W. Washington, D.C. 20004

THE WOODHALL SCHOOL

Box 550, Bethelham, Ct. 06751.

Now accepting applications for boys between 14 and 20 with academic deficiencies for individual instruction supplemented by small group learning situations. Complete collection history.

Call: 203 266-7788.

PREPARE FOR:

SAT • ACT • GMAT

GRE • LSAT • TREF

BAT • MCAT • V-AT

NPB • MSKP • NDB

FMGMS GGFNS

CPA

EXEC SPEED READING

NCB-1

ESL REVIEW

FLEX 1-2-3

Stanley H. Kaplan

EDUCATIONAL CENTER

For information regarding programs authorized under Federal law to enroll non-immigrant alien students in the U.S.A., please call

212-877-5200

OR WRITE:

Stanley H. Kaplan

Educational Center Ltd.

131 West 56 Street

New York, N.Y. 10019

Permanent Centers in More Than 100 Major U.S. Cities

Puerto Rico & Toronto, Canada

FRANCE

### REALISTICALLY

Learn French, French cooking and wines in a comfortable French home in rural Burgundy.

Small numbers, adults only.

For information: "YETABO."

Post. 89140 Pont-sur-Yonne, France.

## Mugabe's 2d Try to Unseat Nkomo Falls Short in Zimbabwe Parliament

By Jay Ross

Washington Post Service

HARARE, Zimbabwe — Joshua Nkomo still evokes the emotions, pro and con, of Zimbabwe,



## ARTS / LEISURE

## Historical Appeal Inflates Bids

By Soren Melikian  
International Herald Tribune

PARIS — The market recovery reflected in the rising turnover of the world's two leading auction houses has been widely publicized. Each firm has given itself a big pat on the shoulder stressing its improved performance and the public's "renewed confidence." The impression subtly suggested is that the clock has turned back to the rosy days of 1980-81. There is no such return.

A glance at the celebrated successes of the year shows that the market has undergone sweeping changes, and the causes of these changes indicate that things will be vastly different in the next couple of years from what they were before the 1981-82 slump — other things being equal; that is, barring a major upheaval of the economy at large.

The first striking modification affects buying patterns, no matter what category of art is considered. Extraordinary attention is now being paid to historical significance, to the point where prices will multiply the most optimistic forecasts three- to fourfold.

All the great surprises of the past season were caused by works of art surrounded by an aura of history. The most spectacular was the Hever Castle suit of armor made for Henry II of France, possibly by Giovanni Paolo Negrol, which was sold in May at Sotheby's for £1.925 million.

Two considerations make this price unprecedented. First, arms and armor is a highly rarified category in which there is probably one potential buyer to every 20 or more for Impressionist Masters of comparable caliber. Yet, the price quadrupled the record established in November 1981 when Ronald Lauder of New York, the leading collector in the world, had paid \$418,000 at Christie's for an English suit of armor made for the Prince of Wales between 1610 and 1613. Secondly, the buyer of the Negrol suit was not a specialist. It went to Barry H. Trupin, a businessman who has been buying various important works of art.

Ronald Lauder was the underbidder — understandably so; the armor he had bought 18 months earlier at a quarter of the price, if anything, more important. It is the only documented piece from the Greenwich school. Uncommonly well preserved, it is more spectacular — the blood steel miraculously retains its lustrous peacock hue, which sets off the gilding of the chased arabesque design. If the two suits were to be weighed financially against each other, my guess is that the English piece would rate at 50 percent over the Henry II suit. The fact that they came up on the market in such a short interval provides a unique opportunity of measuring the appreciation of historical pieces.

There have been several other cases. In July, Sotheby's auctioned a *secrétaire à abattant* attributed to the cabinetmaker Adam Weisweiler for \$290,000. The piece, built like a writing desk topped by a cabinet, is a bit on the heavy side and is somewhat over-ornate, with its Japanese lacquer panels and its lavish ornate mounts. But it enjoys an outstanding virtue in the mar-

## THE ART MARKET

ket as it stands today. Thanks to a piece of historical sleuthing done by the Sotheby's expert Jonathan Bourne, it has been proved to be the cabinet delivered by the dealer Dominique Daguerre for the Cabinet du Roi — the private office of King Louis XVI — at Versailles in 1784. The king had it with him in the Palais des Tuileries in 1790. And that did the trick: The cabinet, bought by the most active buyer of French 18th-century furniture, Elizabeth Johnson, holds the world record for any piece of furniture.

The sense of history now extends not only to the great men who commissioned art but to figures who played a role in the history of art. Sotheby's phenomenal sale of the Havemeyer collection of Impressionist works in New York for a total of \$15.8 million owes half its success to the name of the Havemeyers. Louise Havemeyer, wife of John, who started building up the collection, was a friend of Mary Cassatt. The American Impressionist initiated Louise Elder to painting as they traveled together in Europe, and took her to see her friends, the Impressionist artists. When Louise married, she infected her husband, Horace Havemeyer, with the collecting disease. Their donation of more than 1,000 works of art to the Metropolitan Museum after her death in 1929 remains a landmark in American artistic life. And while there is little doubt to me that, "L'attente" sold for \$3.74 million, is one of Degas's most moving pastels, no professional thought that a pastel, however beautiful, could fetch even half that price.

Several reasons account for the new role of history as a major factor in determining the value of art. One is the development of art history itself, a relatively new field. Detailed monographs dealing with given categories of objects d'art have blossomed in the last two decades, and there has been a marked shift toward a scholarly approach. Auction rooms have taken to hiring former members of museum curatorial staffs, another new occurrence; the late John Hayward, for instance, whose brilliant cataloging did a lot to boost the Hever Castle armor, was a former associate keeper at the Victoria & Albert Museum.

Awareness of art history has become such that the publishing division Sotheby's set up a few years

ago flourished and developed into an independent company. Philip Wilson Publishers now go in for such rarified publications as Mark Zborowsky's "Deocani Painting," a superbly illustrated book that attempts to define the style and evolution of miniature painting in the heavily Persianized Islamic Sultanates of central India. In auction catalogs, references to art-historical studies have become overabundant — there were hardly any 20 years ago — and carefully researched entries read more and more like excerpts from scholarly journals.

A second factor that has given historical considerations a growing role is the coming into the market of a new category of buyers. In the 1950s and '60s, it was unusual for newcomers barely familiar with the subject to risk large sums of money on art; or, if they did, they would use expert advice. This is no longer the case, and an object loaded with history reduces the risk of one's making a mistake, at least concerning authenticity.

A third thing that has boosted artworks of historical significance is a more abstract turn of mind of the new generation worldwide. In the '50s and early '60s, buyers acquired works of art solely for their visual appeal. As a result, I knew collectors and dealers who barely ever opened a book but had an extraordinary eye, acquired through a lifetime of acquaintance with the objects themselves — in museums, at auction, everywhere. Now the tendency is to read first and look later. Characteristically, works of strictly documentary interest have risen enormously — for example, autograph manuscripts.

Last but not least, art has become a status symbol to many new buyers, and history-loaded works of art are just the right thing from that angle.

None of these factors is likely to weaken in influence in the near future. There are more and more newcomers unfamiliar with art but willing to stake high sums, more and more status-seekers. The trend that favors abstract knowledge versus visual training is increasing. The latter takes time, a lot of time. And historical research in every field of art is stepping up.

Historical significance is therefore bound to loom larger and larger as a factor in the market. There are areas where it has barely begun to make itself felt so far. Islamic objects d'art is one, but then, no major piece of pottery, metalwork, glass or other object made for an important historical figure such as a sultan from a well-known dynasty has been offered recently on the open market.

As for Western art, the importance ascribed to historical significance has just begun to affect the lower end of the market. In July, Guy Loudmer sold brilliantly items whose essential merit was to have once graced the liner France. Buyers were largely from the French lower middle class, to whom this was history. A few years ago many would not have thought of setting foot in an auction room.

U.S. Investigators Seize Huge Cache Of Classic Films

Los Angeles Times Service

LOS ANGELES — One of the largest and most valuable collections of classic Hollywood movies ever found, including missing footage from the 1954 Judy Garland musical, "A Star Is Born," has been seized by the district attorney's office from the private collection of a studio film vault.

Among the 1,200 cans of 35- and 16mm film seized July 29 at a Burbank storage space rented by Merle Ray Harlin are the original versions of some of Hollywood's most valuable films, including "Dr. X," a 1932 Fay Wray movie that had been given up for lost.

The seizure was disclosed in a search warrant affidavit filed Thursday. A spokesman for the district attorney said that Harlin, 59, was under investigation for possible grand theft, but that no charges had been filed against him. Reached at Columbia Pictures, where he now works, Harlin said he had been advised by his lawyer not to speak to reporters. He worked previously for Warner Bros.

Ron Haver, head of the film department for the Los Angeles County Museum of Art, said he had examined some of the film and found a four-minute musical number, "Lost That Long Face," cut from "A Star Is Born." Warner Bros. recently spent \$40,000 restoring "A Star Is Born" after a two-year search by Haver for missing footage. In some cases, the movies are believed to be original negatives.

ANNIVERSARY SALE at the Maison de l'Iran 55 1/2% off on all Iranian and Oriental CARPETS and HANDICRAFTS until August 14 65, Champs-Élysées Paris. Tel: 225.62.90 Open 7 days a week



Messel's "Head of a Faun" mask in papier mâché, c. 1924

## Oliver Messel's Designs Unmasked at the V&amp;A

By Max Wykes-Joyce

International Herald Tribune

LONDON — Dame Ninette de Valois, former director of the Royal Ballet, used to tell of being a humble member of the corps de ballet with Diaghilev's Ballets Russes in 1925 and, in a new production of "Zéphire et Flore," having to dance forward and scoop up a mask from the floor. So struck was she by the beauty of this prop that, moving into the wings, she enquired the name of the maker. She was told: "A young Englishman named Oliver Messel."

Masks, his earliest extant work, and family portraits drawn and painted by Messel (1904-1978) while he was at Eton and an art student at the Slade School lead into a large retrospective in the Theater Museum Galleries of the Victoria & Albert Museum. Most of the exhibits are drawn from the Messel archive that he bequeathed to his nephew, the photographer Lord Snowdon, who has loaned the entire hoard indefinitely to the Theater Museum.

After Eton, instead of going on to university, Messel took the advice of a family friend, W.A. Probert, ballet historian and owner of the Clarendon Gallery, and studied drawing and painting. When he left the Slade, he apprenticed himself to the portraitist John Wells, but continued to make splendid "character masks" of which he held a show at the Clarendon Gallery in 1925. These caught the eye of Diaghilev, whose company was dancing in London.

Messel took to theater design as a cygnet to water. The impresario C.B. Cochran, who probably saw the "Head of a Faun" mask in the 1925 exhibition, commissioned costumes, masks and stage sets by Messel for his annual revues from 1926 through 1931. In addition Messel designed masks for Eugene O'Neill's "The Great God Brown," the costumes for Karl Vollmüller's "The Miracle" (1932); and in the same year the scenery, costumes and accessories for "Helen," an opera buffe based on Offenbach's "La Belle Hélène." The exhibit includes models, costumes, designs and photographs of all these productions, as well as a reconstruction of Messel's studio by his assistant from 1932 to 1938, Carl Toms, now a celebrated theater designer in his own right.

If 1926-32 may be termed Messel's first theatrical period, 1932-39 saw his flowering as a film and ballet designer, though he by no means forsook the stage, making set designs for Ivor Novello's "Glamorous Night" in 1935; costumes and sets for the London and New York productions of Wyndham's "The Country Wife" in 1936; and the sets and costumes for Tyrone Guthrie's production of "A Midsummer Night's Dream," in which Vivien Leigh played Titania, in 1937.

The major triumphs of these years, however, were the designs for the Korda films "The Private Life of Don Juan" (1934) and "The Scarlet Pimpernel" (1935), George Cukor's 1936 "Romeo and Juliet" (choreographed by Lichine for Colonel de Basil's Ballets Russes). Of this last, there are head-dresses, and set and costume designs in the present show.

Messel joined the Royal Engineers in 1940, and until the end of the war his designing activities were much curtailed, though he managed, in periods of furlough, to create the costumes and decor for the Royal Ballet's "Comus." The Royal Ballet also got his first post-war creation, the 1946 "Sleeping Beauty." It is richly presented in the show, with designs and many of the costumes.

So closely did Messel become associated with this "Sleeping Beauty" that it is still known as the Messel production. The original, with its 208 costumes, four sets, and gauzes and drop curtains, underwent complete remakes in 1952, 1959, 1960 and 1970; in 1976 the American Ballet Theatre commissioned yet another complete equipage from Messel.

Also represented in the exhibit-

tion are costumes and sets for Thorold Dickinson's film "The Queen of Spades" (1949) and Joseph Manckiewicz's "Suddenly Last Summer" (1960); silk brocade patterns for Sekers, the British textile firm (1953); and interior decorations for the Dorchester Hotel (1953 and 1956), the Reader's Digest Building in Paris (1957), the Billy Rose Theater in New York (1959), the English country house Flaxley Abbey (1960-63), some assembly rooms in Georgian Bath (1963), and many houses and some public buildings in Barbados, where he went to live in 1965.

The one sadness of this exhibition is that it is not taking place in Messel's lifetime. It was to have been the 1975 opening show of the theater museum in its own premises in Covent Garden, but the government has repeatedly reneged on its promise to finance the new museum. Meanwhile, the Victoria & Albert gives shelter to the theater museum's vast collections, but three exhibition rooms and a suite of offices is patently inadequate.

Oliver Messel, The Theater Museum, Rooms 70-73, Victoria & Albert Museum, Cromwell Road, through Oct. 30.

This is the third year in which Lloyds Bank has sponsored awards to four young artists to produce high quality limited edition prints. The newly created 1983 prints "Beach Belle," a seven-color lithograph by Scott Kilgour; "Tiger," a seven-color lithograph by Janet Treby; "Ladies-in-Waiting," a two-color etching and aquatint by Pelelope Wurt; and "Bokhara, Russia," a nine-color lithograph by Christopher Cox — together with other examples of their work, and prints by earlier award winners, are on show at the Business Art Galleries in the Royal Academy of Arts, 19, Piccadilly, London, W1, to the end of August.

## Jedi Passes \$200 Million

The Associated Press

HOLLYWOOD — "Return of the Jedi" has gone past the \$200-million mark in ticket sales. "No other movie has passed the \$200-million mark in such a short time," said Barney Glasser, a 20th Century-Fox spokesman.

## Arts Festival Transforms Dusty Moroccan Village

By Franz Gypte

International Herald Tribune

ASILAH, Morocco — This is a village of whitewashed houses and sandy beaches that are usually carpeted with fishermen's nets, a picturesque community situated where the Mediterranean meets the Atlantic. The homes all have electricity, the narrow cobbled streets are kept clean by diligent sanitation crews, and Asilah rarely runs out of drinking water. Asilah has also become what is perhaps the Third World's leading cultural mecca.

The man who made all this possible in the space of less than five years is Mohammed Benaissa, a young filmmaker who was born in Asilah, left it some years ago in frustration, then decided to return and transform a dusty, poverty-stricken village into a prosperous place. All of a sudden, Asilah finds itself enjoying the status of a "model village" not only in Morocco but by reputation through much of the developing world. In August each year, it hosts the Asilah Cultural Festival, which attracts artists, writers, singers, sculptors, musicians, poets, artists, politicians, professors, scientists, filmmakers, economists and other experts.

"I think that what we have shown here in Asilah is that Third World communities don't have to wait for outside financial help to rejuvenate or develop themselves," Benaissa said. "It is possible to generate our own self-help ethic; to get development going our own way. Then the whole world will come to you."

Benaissa had left Morocco to seek his fortune elsewhere. He made documentaries in Britain and in the United States, then worked for the Food and Agricultural Organization in Rome. He became a regular on the international diplomatic circuit, but soon was possessed with a desire to go home. Benaissa was fairly well off by now and had invested in a Rabat newspaper called Al Mithak al Watani, which was doing quite well.

## Urbino: The Roots of Raphael

By Susan Lumsden

International Herald Tribune

URBINO, Italy — There are two exhibitions in Italy commemorating the 500th anniversary of the birth of Raphael, but neither is perhaps as convincing an explanation of the genius of the Renaissance painter as a visit to his birthplace in the hilly green and yellow patchwork province called the Marche.

Urbino, a small jewel of the Renaissance frequently dangled beside the bigger one of Florence, is as smooth and peaceful as Florence is craggy and intimidating. The massive grey stones, the basic architectural unit of Florence, are replaced here by small, pinkish bricks. They flow into an endless shell of serenity, relatively undisturbed by the outside world and unseen by most of its travelers.

Yet Urbino is only four hours by car from Rome, three hours from Venice and one and a half hours from Bologna. The most beautiful — and difficult — approach is through the Apennines from Florence in three hours of breathtaking hairpin turns. The connecting train station closest to Urbino is Pesaro an hour away on the Adriatic coast.

This is all by way of saying that a visit to the exhibition "Urbino and the Marches Before and After Raphael," which opened last weekend in the Palazzo Ducale should be prefaced by a tour around the town. Urbino still has its ramparts, fortified by Federico, Duke of Montefeltro, in the early 15th century. Having secured the town's defense, he went on to build the palace, an art collection and the finest library of the early Renaissance. A missing eye and a broken nose were testimony to his skills as a warrior. When asked the secret of his exemplary rule, Federico reportedly replied: "Essere umano" — to be human.

New architectural monuments are as human and uplifting as the Palazzo Ducale. The late Kenneth Clark in his "Civilization" series said: "It's the only palace in the world that I can go around without feeling oppressed and exhausted." Here is where the young Raphael first spent his life and art while accompanying his father, the court painter Giovanni Santi, on his duties around these white rooms, vaulted like waves from a gentle sea. There is an uncanny intimacy as they unfold into one another, often through unexpected antechambers, such as the small study of Federico, insidiously in a wood design that was probably done by Botticelli.

The "studiolo" leads into a room featuring three works by Piero della Francesca, who was born in nearby San Sepolcro. Piero's formative years, too, were spent in Urbino. Appropriately, his painting of the



Raphael's "La Muta."

"Ideal Town" is shown here, as is his more famous "Flagellation" and the "Madonna of Senigallia." There is also the fragmented but penetrating portrait of "The Savonarola" by another Raphael precursor, Melozzo da Forlì, whose blood angel was featured in the recent Vatican exhibition.

The "After Raphael" section of the exhibition offers paintings by his disciples Lorenzo Lotto, Andrea Sansovino and Raffaellino del Colle as well as the Raphaelesque in ceramics and the applied arts. Draping the walls in this section are three series of Flemish tapestries in designs by Raphael.

The extinction of the Montefeltro family led to the siphoning off of their art by the more rapacious courts of the Medici in Florence and the popes in Rome. Some of it has been borrowed back for this exhibition. Of Raphael himself, there is "La Muta" (The Deaf Woman), dignified in her silence, and a "Madonna With Child" only recently attributed to Raphael and borrowed from the artist's boyhood home in Urbino, now a museum well worth visiting. The Casa Raffaele still has the color-streaked stone where the boy ground his paints from dried plants, as well as a youthful self-portrait.

Urbino, which has a population of 17,000, is a university town with faculties of arts, science, law, commerce and pharmacy, perched along the steep Via Saffi. As old Urbino was a model of harmony, so is the new, discreetly incorporated into the old. Except for metal window sashes, there is hardly a trace of newness. In tiny piazzas like the Piazetta degli Ubaldini, with its green shutters and Umbrian family crest, one enters a small stage protected in time.

"Urbino and The Marches Before and After Raphael," 9 A.M. to 2 P.M. and 3 to 7 P.M. weekdays except Monday, 9 A.M. to 1 P.M. Sunday, through Oct. 30.

"Raphael of Urbino: the Myth of the Fornarina" is the title of the exhibition at the Palazzo Barberini in Rome until December. It concentrates on only one of Raphael's paintings, "The Fornarina" (Baker's Daughter), executed at the height of the artist's career in Rome after he left Florence and the Medici to paint his crowning masterpiece in the papal apartments of the Vatican.

By then a noted portraitist of cardinals and noble matrons, Raphael shocked the public with his

Fornarina, clad just in turban and veil; only courtesans and the like were depicted nude in the art of the time. The dark-eyed Fornarina fascinates because of her suspected link to Raphael's premature death in 1520 — due, according to Vasari and sources of the time, to the excesses of love. The artist, reluctant to confide in his doctors, let them bleed him, as they believed he was suffering from heat prostration. He died, as he had been born, on Good Friday, at age 37.

Any new footnote to the dense scholarship on the Fornarina is of interest. The contribution of this exhibit is the first scientific analysis of the painting by the Florentine laboratory that held Botticelli's "Primavera" up to the light of modern science. Through radiology, the underlying sketch of the Fornarina shows a decorative arm-and-hand reading Raphael Urbino, a contraction of the Raphael Urbino seen in the top painting. A mountain and river landscape reminiscent of Leonardo is covered up with thick foliage. Most mysterious are the fingerprints, well pressed in the paint and apparent through radiology on the top part of the canvas. Are they Raphael's, a collaborator's or perhaps those of the delectable Fornarina herself?

Some answers might surface in the final Raphael exhibition and conference, scheduled for Florence toward the end of the Raphael year. Professor Mina Gregori of the University of Florence, a member of the National Committee for the 500th Anniversary of Raphael, said: "It is difficult for the modern world to understand Raphael because he was so well-balanced. He was the sum and unity of all the artistic forces of his time, and an absolute master of technique. Michelangelo and Leonardo, his contemporaries, are easier to understand today because of their psychological edge: Michelangelo in trying to be greater than God and Leonardo in fusing man with nature."

"Raphael's ideal was beauty, sheer beauty and harmony. Modern art is, for the most part, not interested in beauty, but in conflict and breaking with the past, not harnessing its endowment. Raphael believed in antiquity and the future, mind and body, man and architecture. And he loved women, too."

"Raphael of Urbino: the Myth of the Fornarina," 9 A.M. to 2 P.M. weekdays except Monday, 9 A.M. to 1 P.M. Sunday.

## International Art Exhibitions

## PARIS/NEW YORK

ZABRISKIE / Paris  
37 rue Quincampoix  
(near Centre Georges Pompidou)  
4 American Artists:  
LESTER JOHNSON  
ALEX KATZ  
MAX KOZLOFF  
TIMOTHY WOODMAN  
ZABRISKIE / New York  
724 Fifth Avenue  
3 French Artists:  
PIERRE BURAGLIO  
BERTRAND LAVIER  
GEORGES ROUSSE  
through September 10

## ALWIN GALLERY

9-10 Grafton Street,  
Bond Street, W.1.  
01-499 0314.  
London's Leading  
Sculpture Gallery

## CRANE GALLERY

171a Sloane Street, London SW1  
01-235 2444  
A unique gallery in Europe - furniture,  
paintings, objects, weather vane and  
AMERICAN  
Mon-Fri 10 am-6 pm,  
Sat. 10 am-4 pm.

## MARLBOROUGH

HENRY MOORE  
85th Birthday Exhibition  
Stone Carvings Bronze  
Sculptures and Drawings  
15 June - 13 August  
Fully Illustrated Catalogue Available £10  
4 Albemarle St. W1 01-429 5161  
Mon-Fri 10.30 - Sat. 10.12.30

## LAUSANNE

11th INTERNATIONAL  
BIENNIAL OF TAPESTRY  
fiber in space  
Musée Cantonal des Beaux-Arts  
From June 11th to September 4th 1983

## PARIS

GENEVIEVE  
Sculptures & Paintings  
30 July to 11 August  
ORANGERIE  
des Jardins du Luxembourg  
19, rue de Valenciennes  
open daily from 10 AM to 6 PM

## 250

ANTIQUAIRES  
DES ANTIQUAIRES  
2, rue de Valenciennes  
114

## "FAUNE ET FLORE"

EXOTIQUES dans l'Art  
jusqu'au 25 septembre

## CANNES

GALERIE DU CARLTON III  
LA CROISSETTE - CANNES

## Exhibition

DEMAN

From August 5 to 29

## ST.-PAUL-DE-VENCE

MUSEE MUNICIPAL

DE SAINT-PAUL-DE-VENCE (O.S.)

CLAUDE DELIAS

Paintings - Drawings

From August 2 to August 21

Open daily except Wednesday

from 10 to 12 a.m. and 3 to 7 p.m.

Sunday from 3 to 7 p.m.

## GENEVA

GALERIE

de la

CORRATERIE

ECOLE

DE PARIS

Boudin, Renoir, Utrillo,

Vlaminck, Marquet.

18, Corraterie, Geneva.

Tel. 022/28.88.80.



## ECONOMIC SCENE

By HOBART ROWEN

### Underlying Strength of Dollar Leaves Little Room for Effective Intervention

WASHINGTON — This week's surprise intervention by the United States and four of its allies in the foreign exchange markets, designed to halt the spectacular rise in the international value of the dollar, revived an old and bitter debate.

Is there really anything that governments can — or should — do to change the fluctuating levels of one currency against another?

From the first day that the Reagan administration took office, it made good on its well-known hands-off ideology. It would no longer follow the Carter administration pattern of being ready to jump into the markets to prop up or hold back the dollar.

West Europeans, who used to argue that the United States was following a policy of "benign neglect" when the dollar plunged in value in 1978 and 1979, felt equally aggrieved when the dollar in 1981 began to soar to new highs, even though their exports to the United States should have been greatly stimulated by cheaper marks, francs, and so on.

U.S. businessmen also protest that the dollar is seriously "over-valued," resulting in a widening of the U.S. trade deficit, and negating their efforts — vis-a-vis the Japanese — to produce better quality goods at a competitive price.

There can be little doubt that the extraordinary high level of the dollar is contributing to and fomenting a virulent degree of protectionism. Many whose instincts run to the "free trade" side have nevertheless looked for palatable means of reining the dollar in, considering that the lesser of economic evils, when measured against the devastating effects of quotas, high tariffs, and other restrictions on trade.

Yet, there is an unresolved question as to whether the dollar is 20 to 30 percent "over-valued" — as experts such as former Assistant Secretary of the Treasury C. Fred Bergsten insist — or whether (unfortunately as it may be) the high level of the dollar reflects conditions in the world as they really are.

In that case, the only way in which the dollar is going to change is if the basic conditions change.

**As Morgan Guaranty's Rimmer de Vries says, the markets had better get used to a strong dollar for a long time.**

### Strong Dollar Likely to Continue

The further rise of the dollar this year, in the face of record U.S. budget, trade and current account deficits, is really a remarkable story. From January through this week, according to Morgan Guaranty Trust, the dollar has risen another 12.2 percent against the Deutsche mark, 19 percent against the French franc, and 15 percent against the yen.

It is not difficult to see why the dollar has become so strong, and all the reasons for its strength suggest that the pattern will continue, and that intervention can have only a small impact, if any.

Interest rates in the United States are high, and may go higher. Yet, inflation rates have come down dramatically, productivity is increasing, and the service and high-technology industries promise a reasonable economic growth rate and a net increment in jobs for the next few years. By contrast, the recovery in Western Europe will lag behind.

Thus, investments are attracted to the United States from all over the world, especially when the American continent, protected by two large oceans, seems a "safe haven," given increased political and economic tensions elsewhere.

As Rimmer de Vries of Morgan Guaranty Trust says, the markets had better get used to a strong dollar for a long time. So long as the budget deficit continues at or near the \$200-billion level, interest rates will stay high. And so long as interest rates stay high, and the United States is free of the kind of political and strategic worries that plague Western Europe, the dollar is likely to stay high.

Does that mean there is no role for intervention? Mr. Bergsten, who helped manage an active intervention policy in the Carter administration, as well as Fed Reserve Chairman Paul A. Volcker, believes that speculative fever can be reduced if traders know that governments can come in and temporarily put a damper on things.

In effect, that is what the Reagan administration reluctantly undertook to do this week, responding to the Williamsburg Summit commitment to cooperate more fully in this year.

Small interventions now and then should never have been discarded as an option to smooth out erratic behavior, and one can hope that the Reagan administration will now, from time to time, go back into the markets to do just that.

But a more important priority should be reduction of the huge budget deficits that the Reagan administration has helped create, so that interest rates can come down.

The second priority should be to give some real meaning to that "convergence" pledge at Williamsburg, especially in terms of U.S.-Japanese fiscal policies — ours should tighten up, the Japanese should loosen up. That will help both the United States and Japan to get a more sensible dollar-yen exchange rate. To be sure, it will do little for the malaise in Western Europe, which may be in a hopeless, long-term decline.

Washington Post Service

## CURRENCY RATES

Interbank exchange rates for Aug. 5, excluding bank service charges

	\$	DM	FF	Y	S	£	S	¥
American Express	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of America	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Montreal	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Paris	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Tokyo	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Victoria	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of West	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Zurich	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of London	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of New York	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51

	\$	DM	FF	Y	S	£	S	¥
Bank of America	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Montreal	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Paris	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Tokyo	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Victoria	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of West	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of Zurich	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of London	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51
Bank of New York	2.0845	4.6230	11.714	27.125	138.25	31.18	21.32	1.51

## INTEREST RATES

### Eurocurrency Deposits

Aug. 5

	1M	3M	6M	9M	12M	15M	18M	21M	24M	27M	30M
10% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
20% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
30% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
40% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
50% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
60% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
70% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
80% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
90% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
100% - 10% 5/8	5 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

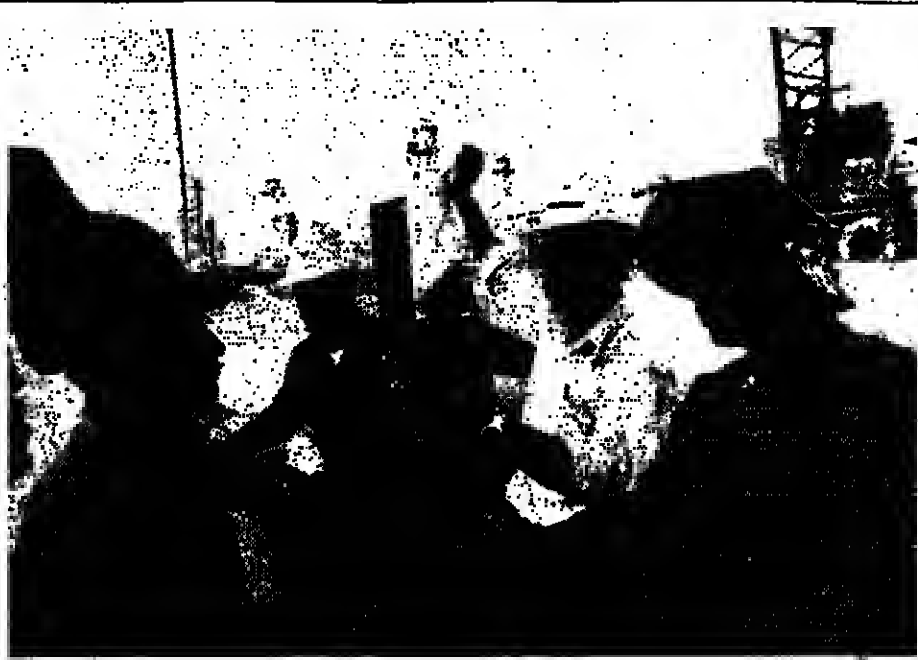
### Key Money Rates

	Class	Prev.	Rate	Class	Prev.	Rate
Discount Rate	8%	8%	8%	Bank Rate	9%	9%
Federal Funds	10%	10%	10%	Call Money	9%	9%
Prime Rate	10%	10%	10%	3-month Treasury Bill	9%	9%
Broker Loan Rate	10%	10%	10%	3-month Interbank	9%	9%
Comm. Paper, 30-179 days	9%	9%	9%	6-month Interbank	12%	12%
3-month Treasury Bill	9%	9%	9%	9-month Interbank	12%	12%
6-month Treasury Bill	9%	9%	9%	12-month Interbank	12%	12%
CD's 30-27 days	9%	9%	9%	15-month Interbank	12%	12%
CD's 48-99 days	9%	9%	9%	18-month Interbank	12%	12%
				21-month Interbank	12%	12%
				24-month Interbank	12%	12%
				27-month Interbank	12%	12%
				30-month Interbank	12%	12%

	Class	Prev.	Rate	Class	Prev.	Rate
London Rate	5 1/8	5 1/8	5 1/8	Bank Rate	9%	9%
Overnight Rate	5 1/8	5 1/8	5 1/8	Call Money	9%	9%
One Month Interbank	5 1/8	5 1/8	5 1/8	3-month Treasury Bill	9%	9%
3-month Interbank	5 1/8	5 1/8	5 1/8	3-month Interbank	9%	9%
6-month Interbank	5 1/8	5 1/8	5 1/8	6-month Interbank	12%	12%

	Class	Prev.	Rate	Class	Prev.	Rate
Discount Rate	5 1/8	5 1/8	5 1/8	Bank Rate	9%	9%
Call Money	5 1/8	5 1/8	5 1/8	Call Money	9%	9%
30-day Interbank	5 1/8	5 1/8	5 1/8	3-month Treasury Bill	9%	9%

Sources: Commercial Bank of Tokyo, Lyons Bank.



Engineers work on a pipeline at Saudi Arabia's Ras Tanura oil field. Slower growth and changed domestic policies may mean fewer jobs for foreigners in the Gulf region.

## Changes in Middle East Worry Labor-Exporting Asian Nations

By John Laird

The Associated Press

BANGKOK — They can be seen in their brightly colored company shirts and caps lining up at airport departure lounges in Bangkok, Manila and major cities of India, Pakistan and Bangladesh. At the Saudi Arabian Embassy in Bangkok, they pack the 10th floor corridors and squat in the reception area by the score, seeking work visas. They are migrant workers, off to the Middle East by the hundreds of thousands from Asia's developing countries. They will spend one year, two years or more away from their families. They will live in unfamiliar cultures, but they are eager for big money and a brighter future. Their earnings significantly bolster sagging economies at home, and in some cases are the major source of revenue for the poorest, most heavily populated labor-exporting countries. But now, five years after the start of the Middle East spending boom, labor officials are cautioning that the recent dip in oil revenues coupled with new domestic goals in the Middle East are in turn altering the demand for labor. The Philippine labor minister, Blas F. Ople, toured the Middle East earlier this year and passed through Bangkok with news that throughout the Gulf and in Jordan and Iraq, governments were substantially cutting back their development projects. Mr. Ople told a gathering of officials that Bah-

rain had announced a budget cut of 50 percent, with the United Arab Emirates expecting a similar cut. Iraq, he said, is strapped for cash because of its war with Iran.

So far, only Saudi Arabia — the major importer of labor — has still been riding high with its third development plan, 1980-85, calling for \$300 billion in expenditures for a wide range of projects, Mr. Ople said.

But in Saudi Arabia, experts are also observing a slowdown, especially in construction, as the development plan nears completion and oil revenues drop. Mr. Ople, noting that demand in the construction industry had peaked in Saudi Arabia, predicted that labor requirements would shift there toward heavy and light industries, agriculture and mining. He also anticipated a different mix of nationalities among the migrant work force.

"I believe that there should be a closer cooperation among the labor-sending countries in East Asia so that we avert a kind of price war in the field of manpower which could be very deleterious to our own national interests," Mr. Ople told the gathering.

He noted that South Korea, Thailand and to a lesser extent the Philippines were prime suppliers of labor in the construction industry. An official of the International Labor Organization estimated that in 1981, more than a million

(Continued on Page 11, Col. 5)

## \$30-Billion Account Gap Is Forecast by Baldrige

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. current account deficit could reach a record \$30 billion this year, more than double the \$11.2 billion deficit last year, Commerce Secretary Malcolm Baldrige said Friday.

Mr. Baldrige made the prediction in a comment on a report earlier in the day that the U.S. merchandise trade deficit had widened to a record \$14.8 billion in the second quarter from \$8.7 billion in the first three months of this year.

He said the worsening merchandise trade balance is wiping out the advantage of the United States' traditionally strong sale of services, from investments to engineering. The current account deficit "may reach as much as \$30 billion in 1983 compared with an \$11.2 billion shortfall last year and a \$4.6 billion surplus in 1981," Mr. Baldrige said.

A persistently strong dollar and debt problems of developing countries were two items Mr. Baldrige cited as causes for his new, more pessimistic estimate of the current account deficit. Until Friday, his most recent estimate called for a shortfall of \$20 billion.

In its trade report, the Com-



Malcolm Baldrige

"This really underlines the difficulty that exporters are having in selling overseas," said Howard Murad, Commerce Department analyst who helped write the report.

Friday's report covers only trade in merchandise such as manufactured goods, farm products and oil. It excludes trade in services and other financial transactions — areas in which the United States generally shows a surplus. The report also does not count military trade.

## Brazilian Warns of Debt Moratorium

United Press International

BRASILIA — Even as Brazil was negotiating new rescue loans, a highly placed government source said Friday that he foresees the world's biggest borrower moving inevitably closer to declaring a moratorium on its \$90-billion debt. Brazilian politicians and economists are calling for Brazil to stop making its debt payments, on the grounds that the social cost of a new accord with the International Monetary Fund is too high.

"The Brazilian government does not want a moratorium but the situation is becoming so difficult that I do not see any other way out," the government source said.

"To avoid a moratorium we need a radical change of position on the part of the developed industrialized countries. This would change everything, but they must start by paying well for raw materials and charging lower interest."

A moratorium differs from a formal default, which would have to be declared by the lenders themselves.

Any move by Brazil to avoid payments on its foreign debt could trigger a violent reaction on world money markets, likely sending the price of gold soaring as investors lose confidence in banks that made the loans.

Jose Serrano, external affairs director of Brazil's central bank, said this week that Brazil is \$1.4 billion behind on debt and other payments.

"Brazil is already in a technical moratorium; it needs only make the formal announcement," said a leading opposition economist and former planning minister, Celso Furtado.

"The problem is that a unilateral moratorium is today our only way out. We are negotiating our debts and contracting extremely short term loans which we have no way of repaying."

Officially the Brazilian govern-

ment pins its hopes on a \$4.9 billion rescue package it negotiated in January with the IMF. But shortly after the first installment was handed over, Brazil broke through agreed inflation and spending limits and the IMF froze further payment.

Now Brazil is negotiating new targets for 1984 and hoping the IMF will free the remaining parcels of the loan in time to prevent bankruptcy.

## Central Banks Again Act To Stem Rise of Dollar

Compiled by Our Staff From Dispatches

NEW YORK — Central banks in Europe had some success Friday in restraining the dollar's rise, but the U.S. currency still ended a turbulent week on a strong note, though below its highs earlier in the day.

"The scenario has stayed pretty much the same — strong on U.S. interest rates, nervous about bank intervention," said Henry Weiland, a corporate trader at Credit Suisse in New York.

The dollar moved forward in active early trading, dealers said. Other currencies strengthened as some European central banks moved into the market and traders cashed in their profits from the dollar's surge this week.

"Late profit-taking developed in the dollar, enabling other major currencies to stage quite a useful recovery by the end of the session," a dealer for Barclays Bank International said.

A Chase Manhattan dealer said the central banks' "persistent endeavors were eventually rewarded as the dollar began to back-pedal during mid-afternoon."

In New York, the dollar ended at 2.6810 Deutsche marks, compared with 2.6740 DM Thursday. The pound finished at \$1.4895, up from \$1.4875. The dollar closed at 8.0725 French francs, compared with 8.0525 at Thursday's close.

In London, the dollar eased in late afternoon trading to end near the day's lows against the mark, but was still more than a penny above Thursday's close. The dollar closed at 2.6818 DM, up from Thursday's close of 2.6693 DM. It peaked during the morning at 2.6955 DM.

The dollar climbed rapidly to above 2.69 DM in Frankfurt Friday morning, reaching levels not seen since February 1974. It had hovered around 2.66 DM earlier this week, held back by heavy central bank intervention.

In Paris, the dollar surged in a record 8.0940 francs after Thursday's close of 8.0200.

Dealers in Frankfurt suggested that the scale of central bank intervention this week was at least \$80 million and could be as high as \$1 billion.

The West German Bundesbank announced during the Friday morning session that it was again intervening in a coordinated move with other European central banks to "correct disorderly market conditions."

Foreign exchange dealers said the Bundesbank went into action when the dollar hit 2.6950 DM. By afternoon the mark had recovered slightly to 2.6850.

The Bundesbank sale of \$30 million at Friday's fixing brings its total sales of the U.S. currency at fixing sessions this week to nearly \$250 million.

The Bank of France also intervened during the Paris fixing ses-

sion. Dealers said the bank sold \$170 million.

In Zurich, a spokesman for the Swiss national bank confirmed that it was continuing its intervention, selling an unspecified amount of dollars and Swiss francs for marks. In Vienna, the Austrian national bank said it had sold an unspecified amount of dollars to help stabilize the mark in that bank's first intervention of any size since the dollar surge.

News late Monday that the U.S. Federal Reserve, the Bank of Japan and the Bundesbank had been jointly intervening against the dollar for two days at first checked the dollar.

## U.S. Money Supply Rose \$1.2 Billion

Compiled by Our Staff From Dispatches

NEW YORK — The basic measure of the U.S. money supply, M-1, rose \$1.2 billion in the latest reporting week, the Federal Reserve reported Friday. The increase was roughly in line with market expectations.

Analysts had predicted an increase of about \$1 billion. Following the announcement, bond prices rose slightly.

Analysts noted the latest rise in M-1 leaves the money supply measure for July about \$3 billion above Federal Reserve growth targets.

"That will keep the Fed on guard," said David M. Jones, economist at Aubrey G. Lanning & Co. "Unless there is a substantial decline in the money figures in future weeks, the chances of further Fed tightening are strong."

M-1, comprised of cash, checking accounts and interest-bearing checking accounts, rose to a seasonally adjusted average of \$517.3 billion in the week ended July 27 from \$516.1 billion the previous week. In the latest 13 weeks, M-1 averaged a 13.2 percent rate of gain.

Interest rates, climbing for three months, have reached their highest

levels to a year, pushing the dollar to new heights Friday and disrupting financial markets.

"We're entering a very dangerous period," said Edward Yardeni, director of economics in Prudential-Bache Securities Inc. "The risks of another recession have increased dramatically."

A more optimistic view is held by Alan Murray, an economist at Citicorp, who said the rise in interest rates may slow the economy's growth to a more sustainable rate but "isn't going to bring everything in a screaming halt."

Last year that brought recovery from a recession, and the resurgence of higher interest rates comes at a time when the economy is expanding at a heady pace.

The Treasury Department sold a record \$15.75 billion in government notes and bonds this week to help replenish federal coffers. The government sold \$4 billion in 30-year bonds Thursday at an average annual yield of 12.08 percent, the highest in a year and up sharply from the 10.29 percent of the previous auction in early May, which was a three-year low.

## New York Stocks End a Grim Week With Meager Gain in Slow Trading

United Press International

NEW YORK — Prices on the New York Stock Exchange eked out a small gain at the close of a grim week Friday in slow trading that indicated that Wall Street still was plagued by concerns over high interest rates.

"The market is exceedingly selective," said Alan Ackerman of Hertzfeld & Stern. "The bull market is not over but the excesses in this extraordinary run since last August are being wrung out."

The Dow Jones industrial average, which plunged 14.73 Thursday in a 3½-month low, managed to tack on 0.20 to 1,183.29. And although the closely watched average lost 15.93 for the week overall, "there was a more resolute defense of the 1,180 level than most technical analysts had expected," Mr. Ackerman said.

There has been considerable concern among observers that the market would go into a steep decline if the Dow failed to hold at the 1,180 level. It had fallen to 1,169 at midday Thursday before rebounding.

Volume of 67.9 million shares, down from the 100.9 million traded Thursday, was the slowest since 63.1 million changed hands July 15.

The persistent rise in the money supply over the past three months forced the Fed to tighten credit and pushed interest rates higher. The small County Bank of St. Louis boosted its prime lending rate to 11 percent from the prevailing 10½ percent level. Banksters did the same thing late Thursday.

The government reported that the July jobless rate fell to 13-month low of 9.5 percent from 10 percent in June and Martin Feldstein, Council of Economic Advisors chairman, said the increase in the number of people holding jobs showed the economy was recovering.

On the trading floor, American Telephone & Telegraph was the most active NYSE-listed issue, up 1½ to 63½. A federal judge approved AT&T's divestiture and reorganization plan early Friday. (See Page 11.)

Also, AT&T said it was confident it would reach agreement with



























